

**Made
for
Life**

CSR Report 2014



TOSHIBA MEDICAL SYSTEMS CORPORATION

Basic Commitment

Toshiba Medical Systems Corporation (TMSC) continues to contribute to healthcare and social welfare by providing innovative, advanced products and solutions for customers worldwide. We create medical technology, taking the slogan "Made for Life" as our guiding philosophy and focusing on the following principles.

1. We offer technology that provides fast, accurate diagnosis, improved treatment, and enhanced patient care.
2. We produce reliable systems that offer maximum uptime, increased utility, and improved workflow.
3. We are committed to developing long-term, customer-focused lifetime solutions.

Management Slogan

"Made for Life"

"Made for Life", the slogan adopted by Toshiba Medical Systems Corporation, symbolizes the company's basic commitments.

Made for Patients, Made for You, and Made for Partnership

Corporate Profile	Company name	Toshiba Medical Systems Corporation
	Founded	October 1930
	Incorporated	September 1948
	President and Chief Executive Officer	Toshio Takiguchi
	Headquarters	1385 Shimoishigami, Otawara-shi, Tochigi-ken, JAPAN TEL +81-287-26-6211
	Capital	20.7 billion yen
	Number of Group employees	9,683 (as of March 31, 2014)
	Group consolidated sales	4,052 billion yen (FY2013 results)
	Activities	Development, manufacturing, sales, and technical servicing of medical equipment and systems (including diagnostic X-ray systems, X-ray CT systems, MRI systems, diagnostic ultrasound systems, radiotherapy systems, diagnostic nuclear medicine systems, clinical laboratory systems, and healthcare IT solutions).

Message from the President

Based on our management slogan, "Made for Life", we are committed to developing long-term customer-focused solutions through partnership with customers around the world.

In our 100 years in the medical equipment business (which began with research and development of X-ray tubes in 1914), we have dedicated ourselves to meeting the needs of our customers with cutting-edge technologies and have continued to contribute to the future of healthcare.

Achievement of a society where people can live happy, healthy lives is a hope of all humankind. This year, Toshiba Corporation established Healthcare Company. As one of its members, we will work to achieve such a society. In partnership with those involved in healthcare services around the world, we will implement further innovation and accelerate the provision of optimal solutions for healthcare services, enabling early detection, early diagnosis, and early treatment of diseases. We consider our businesses themselves to be CSR (corporate social responsibility) activities and continue to offer easier and quicker examinations with higher quality images and lower doses, as well as more comfortable diagnosis and treatment for the patient.

Promoting CSR management on a global scale

Toshiba Group considers CSR management as "giving the utmost priority to life, safety, and compliance with laws and regulations", and "contributing to solving social issues around the world through business activities".

Toshiba Group has also established a policy to address issues related to conflict minerals, banning the use of such illegal minerals in its products.

In order to properly implement CSR management and to contribute to local communities through medical care, we will continue our efforts to ensure that TMSC complies with the laws and social norms of each country or region and recognizes that it is our responsibility to contribute to communities around the world through healthcare. TMSC aims to be a fair and incorruptible company, and works hard to maintain the trust that society places in us.

Acting and advancing together with our stakeholders

We will continue to place great importance on communication with all stakeholders, including our customers and to accelerate our global business operations. With the aim of maintaining strong trust in our business, all employees of Toshiba Medical Systems Group practice CSR in their daily activities. We look forward to your continued support and guidance.

Enhancing environmental management in order to contribute to protection of the global environment

With the continuing challenge of global warming, environmental contamination, and the threat to biodiversity, one mission for all companies is to contribute to conservation of the global environment. We have been implementing "Greening of Products" and "Greening of Processes" as our ecological management policies. "Greening

of Products" involves efforts to develop products through an environmentally conscious design process, and to provide customers with products and services that achieve the industry's highest level of environmental performance. "Greening of Processes" involves efforts to minimize the environmental impact of all our business processes, by improving the efficiency of the manufacturing process and implementing a modal shift in the product distribution process.

Since FY2012, in cooperation with an external organization, we have been conducting a survey of flora and fauna found in the grounds of TMSC Headquarters. In order to provide a better biological environment in balance with nature, we will conduct and promote further environmental monitoring, as well as educational activities for children.



President and Chief Executive Officer
Toshio Takiguchi

A handwritten signature in blue ink that reads "Toshi Takiguchi".



Everything we do is for people, for society, and for the Earth.

TMSC is contributing to healthcare while working to achieve a sustainable environment.

As a global company having a global perspective, TMSC is making every effort to provide people-friendly and earth-friendly medical systems. TMSC is committed to all stakeholders, and strives to contribute to communities around the world.

Basic Policies Concerning the CSR Activities of TMSC

1. We aim to earn the trust of society and continue growing, making a positive contribution as a member of society with a respect for life.
2. We practice honest and transparent management, giving the utmost priority to life, safety, and compliance with laws and ordinances, and aim to be an earth-conscious enterprise.
3. We aim to be a trusted corporation and strive to communicate with all our stakeholders, including customers, employees, shareholders, and the local community.

Editing policy

This report uses an ISO 26000 item format. The contents of the environmental report have been enhanced.

Period of report

This report mainly focuses on the results of activities in FY2013 (from April 1, 2013 to March 31, 2014), but also includes past activities that are still in progress, as well as more recent activities.


Extent of report

TMSC and TMSC group companies. Parts of the report also present activities of the entire Toshiba Group or Toshiba Group companies.

Publication Date

August 2014 (previous publication: December 2013; next publication: July 2015 (projected))

Reference guidelines

- GRI (Global Reporting Initiative)
 - Sustainability Reporting Guidelines (G3)
 - Environmental Reporting Guidelines (FY2012 Version), Ministry of the Environment of Japan
 - ISO 26000: 2010
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Objectives and main results for FY2013/Objectives and plans for FY2014

	Contents		Main results for FY2013	Objectives and plans for FY2014
Social report	Organizational governance/Fair business practices	p.8	<ul style="list-style-type: none"> Promotion of CSR management aimed at contributing to resolution of social issues Implementation of activities for cultivation of compliance awareness (educational programs tailored to employees at different organizational levels, e-learning, and meetings focusing on compliance topics at each workplace) 	<ul style="list-style-type: none"> Implementation of high-priority CSR themes and a focus on integrity Implementation of various compliance promotion policies at Toshiba Medical Systems Group worldwide Continued provision of risk compliance education
	Human rights/Labor practices	p.9	<ul style="list-style-type: none"> Human rights education for new recruits and for employees Establishment of an internal system based on "Toshiba Group Conflict Mineral Policy" Continued achievement of the legal employment rate for people with disabilities Formulation and review of various workstyle innovation policies Further enhancement of supporting measures for employees using the child-care/family care leave system 	<ul style="list-style-type: none"> Continued promotion of human rights enlightenment activities Conducting surveys with suppliers regarding use of conflict minerals Early achievement of newly revised legal employment rate for people with disabilities (2.0% or more) Encouraging employees to take accrued leave, reduction of overtime work Further enhancement of supporting measures for employees using the family care leave system
	Occupational health and safety	p.10	<ul style="list-style-type: none"> Promotion of safety and health activities based on Occupational Health and Safety Management System (Lifestyle disease prevention training, walking event) 	<ul style="list-style-type: none"> Deepening and expanding risk assessment and further enhancing safety activities Maintaining and improving the mental and physical health of employees
	Consumer issues	p.11 to 13	<ul style="list-style-type: none"> Establishment of quality management system aimed at providing the safest, highest-quality products in the market Disclosure of product accident information on the website of the Pharmaceuticals and Medical Devices Agency, etc. Customer questionnaires continued/promotion of efforts to raise the collection rate of customer questionnaires Providing services to expand customer support functions (Service training for customers, remote maintenance system) A variety of activities to meet medical care requirements (Proposal of site plans, establishment of 3R center) 	<ul style="list-style-type: none"> Further efforts to ensure product quality and safety Appropriate disclosure of product accident information Evaluation of customer satisfaction through periodic questionnaires Improvement of customer support
	Community involvement/ Overseas activities	p.14 to 17	<ul style="list-style-type: none"> A wide variety of activities to serve local communities in order to foster a society in which local people lead enriching lives (Pink Ribbon Campaign, local events, periodic cleaning activities, etc.) Community service activities in Japan and other countries (Establishment of a subsidiary in Turkey, provision of a Toshiba dormitory room, cleaning activities, fund-raising activities for cancer research, etc.) 	<ul style="list-style-type: none"> Promotion of community service activities in various regions of the world Continued appropriate relief support in disaster-affected areas
Environmental report	Environmental policies/Highlighting environmental activities	p.18 and 19	<ul style="list-style-type: none"> Global promotion of environmental performance of TMSC products to raise awareness among customers Received "Kanto Bureau of Economy, Trade, and Industry Director General's Award" for excellence in energy conservation 	
	Environmental management	p.20 and 21	<ul style="list-style-type: none"> Setting targets for reduction of environmental impact to fulfill "Environmental Vision 2050" Providing environmental training for employees to promote environmental activities 	<ul style="list-style-type: none"> Further enhancement of environmental management system and internal control
	Environmental consideration for products	p.22 to 26	<ul style="list-style-type: none"> Vantage Elan™ and Xario™ 200 recognized as Toshiba Group Excellent ECP products for their environmentally conscious designs Efforts to develop products that achieve the industry's highest level of environmental performance 	<ul style="list-style-type: none"> Provision of environmentally friendly products
	Environmental consideration in manufacturing and business processes	p.27 and 28	<ul style="list-style-type: none"> Reduction of CO₂ emissions by implementing energy-saving projects (introduction of LED lighting, etc.) Recycling waste plastic and paper Comprehensive water quality control 	<ul style="list-style-type: none"> Implementation of energy-saving items through energy-saving projects Promoting conversion of shredder scrap into objects with value
	Environmental communication	p.29	<ul style="list-style-type: none"> Environmental promotion activities with our stakeholders (factory tour, group cleaning, etc.) 	<ul style="list-style-type: none"> Promotion of environmental communication with local communities
	Promotion of biodiversity conservation	p.30 and 31	<ul style="list-style-type: none"> A variety of biodiversity conservation activities (Nature walk, creation of biotope, issuing a nature guide, etc.) 	<ul style="list-style-type: none"> Continuous promotion of biodiversity conservation



Scary medical equipment becomes a plaything.

Inviting children with cancer through the Children's Cancer Association of Japan

In August 2013, a factory tour was held at TMSC Headquarters in cooperation with the Children's Cancer Association of Japan. Children with cancer and their families were invited to the event, which offered them an opportunity to play with medical equipment that is familiar to them but can still be a source of fear. On the day of the event, about 30 people participated in a variety of programs, including experiments using advanced medical systems and a visit to the manufacturing areas.



The patient becomes the operator.

For children, medical equipment can be so large and loud that it is intimidating. MRI systems have been called "noisy monsters" by children, and some children cry as soon as they enter the examination room. We held a factory tour in the hope that the experience of scanning using medical equipment as "playthings" would be fun for the children and their families.

On the day of the event, fruits and toys brought by the children were scanned using diagnostic imaging systems.

Looking at the generated images, the children made comments such as "Oh, it's transparent!" and "I can see the seeds inside!" It gave them the chance to understand the purpose of the medical equipment and why it is used for them. For their further understanding, we explained why they should not move during examinations and why it can be a long process.

"I'm not afraid of these machines anymore"

The experience of pressing buttons, seeing systems in operation with the covers removed, and learning how they work helped reduce the fear and aversion children feel towards such equipment. The children enjoyed their visit and many said that they would like to come again. Afterwards, TMSC received letters from them with comments such as "I'm not afraid of these machines any more", and "Now it's easy for me to have a scan". Although our primary aim was for the children to have a good time, the tour also unexpectedly turned out to reduce their negative feelings of fear or dislike. As a manufacturer of medical systems, we will continue to look for ways to help children with cancer.



Event schedule

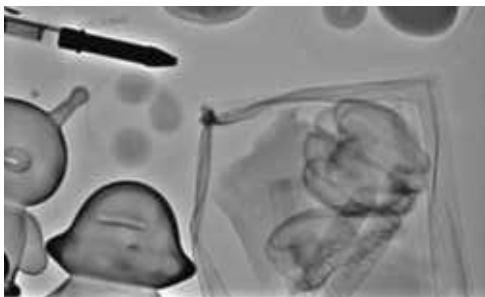
11:30	Orientation	Greetings and introduction
12:00	Lunch	Lunch with Yoichi-kun (official mascot of Otawara City)
13:00	Scanning experience	Scanning objects using CT and MRI systems
15:00	Visit to manufacturing areas	
15:30	End of the factory tour	



Interview by a local TV station

Scanning with CT and MRI systems

As a form of play, the children operated the medical equipment and scanned objects they had brought with them. To help them intuitively understand why they must not move for a long time during examinations, we changed the scan times or moved objects during scanning to show how the generated image is affected.



Actual image scanned by the children

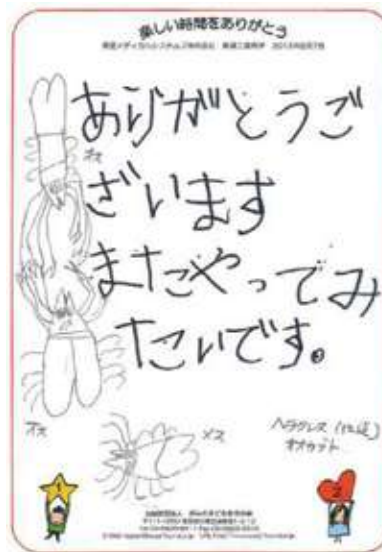
Letters of thanks

The following comments are from the many letters of thanks we received from the children and their families.

"The factory tour was well designed for small children and it was very enjoyable."

"It was a good opportunity for children to understand how the equipment works."

"I'm not afraid of these machines anymore."



VOICE of the Participants



"It was a very encouraging day for the children and their families"

Kosuke Yamashita, Director

Children's Cancer Association of Japan (<http://www.ccaj-found.or.jp/>)

We are very grateful that TMSO held this factory tour for children with cancer and their families. The Children's Cancer Association of Japan was founded by parents who lost children to cancer in order to provide support for families of children with cancer. Although childhood cancer was once regarded as a fatal disease, more than 80% of children with cancer now survive. In reality, though, children with cancer still have to undergo difficult treatment and painful examinations, and the disease is a major source of anxiety for them and their families. The factory tour gave the children a great opportunity to change their perceptions about examinations and about the medical equipment they had disliked. In addition, knowing that there are so many people supporting and understanding them, the children and their families received a lot of encouragement from the TMSO staff. We look forward to your continued support for children with cancer and their families.

Social report

We aim to be a better company that contributes to society through healthcare, fulfilling the expectations of our various stakeholders.

We aim to contribute to solving social issues through our business activities worldwide.

Promotion and structure of CSR management

As a member of Toshiba Group, we chose "Promotion of CSR management" as one of our key management policies. As part of our CSR management, we urge our employees in all parts of the world to comply with the Toshiba Medical Systems Group Standards of Conduct and to practice in all business activities.

Toshiba Group CSR Management Goals



CSR Management Structure of Toshiba Medical Systems Corporation



In order to conduct our business activities in a fair manner, we strive to ensure compliance with laws and ordinances.

Enhancing activities to ensure compliance with laws and ordinances

To ensure compliance with laws and regulations, social and ethical norms, and internal rules throughout our worldwide operations, and to promote fair business, we are promoting various risk/compliance management policies throughout our operations. We are providing continuous education for all employees (e-learning and compliance education concerning specific laws), working to create an organizational climate that focuses on compliance (periodic meetings on compliance topics at each workplace), and making every effort to ensure compliance with applicable laws and regulations (including "Risk Hotline", an internal reporting system, and "Clean Partner Line", a reporting system for our business partners).

Voice of the Staff member



"We are striving to create a healthy business environment"

Nobuhiro Washio, Senior Manager of the Domestic Sales Department, Senior Executive Director, Member of the Board

We have a system for checking whether each business negotiation has been conducted fairly, by setting a checkpoint at an appropriate stage of the negotiation and working with the department responsible for compliance issues.

We are also taking various approaches to promote observance of laws and regulations. At our branch offices in the front line of sales and service, a compliance counselor has been assigned so that employees can ask questions or seek advice on compliance issues as necessary. Periodic meetings on compliance topics are also being held to promote education and creation of an organizational climate in which compliance is ensured. Under the slogan "No compliance, no business", we are continuously providing education to personnel and improving our infrastructure to foster an environment in which sales activities are conducted fairly and ethically.



Through educational and enlightenment activities, we strive to create organizations in which people from diverse backgrounds can actively work together.

Respect for human rights

The basic policies of Toshiba Medical Systems Group include respect for human rights, elimination of discriminatory treatment, and observance of laws and regulations. In the "Toshiba Medical Systems Group Standards of Conduct", it is specified that diversity of individual values, personality, and privacy should be respected, and that discriminatory behavior concerning race, religion, sex, nationality, mental or physical disability, age, or sexual orientation, as well as behavior detrimental to human rights, such as violence, sexual harassment, or power harassment, should be eliminated. Through educational activities, we are promoting awareness of and respect for human rights.

Measures concerning conflict minerals

Toshiba Group's policy stipulates that raw materials mined in the Democratic Republic of Congo and adjoining countries which are experiencing armed conflicts must not be used (i.e., gold, tantalum, tungsten, and tin).

In October 2011, Toshiba Group established an internal system for dealing with conflict minerals and posted the "Toshiba Group Conflict Mineral Policy" on its website. TMSC group has also been taking the necessary measures to comply with this policy.

Respect for diversity

- Employment of non-Japanese people

We are actively promoting employment of non-Japanese people, not only at overseas subsidiaries but also at group companies in Japan. We also provide education programs for them in order to create an organizational climate in which people from diverse backgrounds can work together effectively.

- Encouraging employment of people with disabilities

Toshiba Medical Systems Group will maintain its commitment to employing people with disabilities (maintaining an employment rate equal to or higher than the legally required rate of 2.0%) and to further expanding areas in which they can be more active.

We strive to create a safe, comfortable work environment for all employees.

Promotion of workstyle innovation











Toshiba Group has been promoting workstyle innovation to enable employees to work conscientiously and efficiently while making the most of their life outside work. This encourages rejuvenation and self-improvement so that employees can add higher value to their work. In cooperation with the employees' labor union, Toshiba Medical Systems Corporation is promoting workstyle innovation policies.

Supporting the careers of employees raising children, caring for family members, etc.

Through discussions with the employees' labor union, we are striving to foster a work environment that allows employees to continue to have an active role, by taking maternity leave or child-care/family-care leave, or using the reduced working hours system as necessary.

* Action plan: As a result of implementation of various supporting measures, we set the following non-binding targets: Minimum number/percentage of relevant employees using the child-care leave system in the target period: male: 1, female: 90%.

Outline of working systems and number of participants

	2009	2010	2011	2012	2013
Child-care leave system Applicable period: until the child is 3 years old, regardless of the working status of the spouse	 Female: 20 ; Male: 0	 Female: 19 ; Male: 1	 Female: 26 ; Male: 2	 Female: 26 ; Male: 1	 Female: 21 ; Male: 1
Reduced working hours system Applicable period: until the child graduates from elementary school (for child care); up to three years per family member in need of nursing care (for family care)	 Female: 12 ; Male: 0	 Female: 10 ; Male: 0	 Female: 25 ; Male: 0	 Female: 37 ; Male: 0	 Female: 22 ; Male: 0

<As of March 31st, 2014> * Toshiba Medical Systems Corporation only

We aim to ensure a safe environment in which each employee can work with a healthy body and mind.

Promoting occupational health and safety

Toshiba Medical Systems Group considers safety to be a primary responsibility of management. Giving the utmost priority to life, safety, and compliance with laws and ordinances in all business activities, Toshiba Medical Systems Group promotes a safe, comfortable work environment and places the highest value on the mental and physical health of employees.

• Occupational health and safety management system

In February 2008, TMSC Headquarters obtained OHSAS 18001 certification, the international standard for occupational health and safety management systems. Based on this certification, we are promoting a variety of occupational health and safety policies.

Among them, the risk management policy forms the core of an occupational health and safety management cycle based on OHSAS 18001. All of our employees identify risks and risk factors in their risk management activities, which helps to raise employee awareness. In FY2013, in order to create a safer work environment, we enhanced our methods for risk analysis, management, and improvement.

• Promoting occupational health

We have been continuously implementing measures to promote occupational health so that all employees can fully exert their abilities. In FY2013, we held a walk for employees and their family members as a participatory health-promotion measure.

In addition, we provided appropriate work management support for employees who are at high risk of developing lifestyle diseases, and enhanced our mental health promotion policies by providing e-learning education and lectures on mental health for all employees.

Lifestyle disease prevention education

Based on the recognition that lifestyle diseases are caused by unhealthy living habits and not naturally caused by aging, we have been providing an annual education course on prevention of lifestyle diseases for our employees. In this course, different advice is given to different ages of employees (in their 30s, 40s and 50s) in terms of dietary, smoking, and drinking habits so that each person can effectively work to improve their lifestyle.

Walking event to promote health

As a participatory health-promotion activity for employees working at TMSC Headquarters, Toshiba Medical Systems and Toshiba Medical Systems Union co-hosted a walking event on November 16. 205 employees and their families enjoyed a 2-km and a 5-km walking course in Nasunogahara Park in Nasushiobara.



We aim to provide the safest, highest-quality products in the world through our quality management system.

Basic policy

Based on the respect for life that forms the foundation of our management principles, TMSC complies with current safety-related laws and regulations, maintaining a client-centered attitude, and aims to contribute to society by providing safe, high-quality products and services with advanced functions that satisfy our customers.

Standards of conduct

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 ensure that all of our departments and all of our employees act to improve the quality of products and product-related business processes.
4. We establish, continuously improve, and maintain quality management systems that comply with global business standards.
5. We aim for essential improvement by investigating the root causes of process failures.

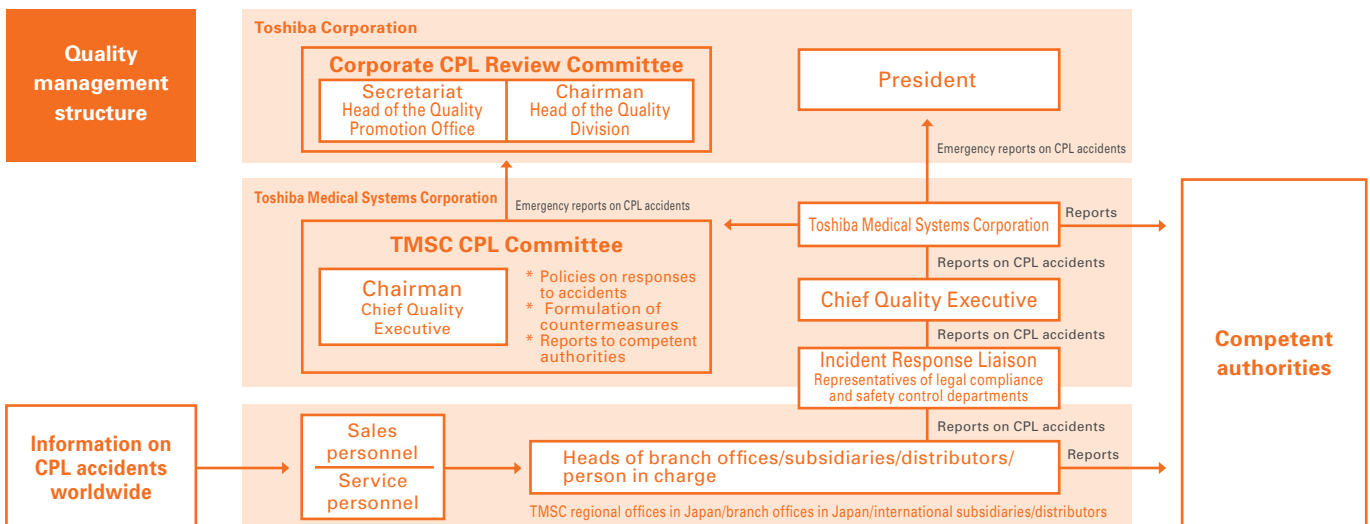
Swift response to product safety incidents

We have established a quality management system where employees (such as sales and service representatives) who become aware of information concerning a TMSC product accident or problem, must immediately alert the quality management department and executives. Based on this information reported by employees, the CPL Committee* decides how to act upon the matter. In the event of an accident attributable to a product that is likely to recur, we immediately inform customers of the danger, promptly report to the competent authorities, and implement countermeasures as soon as possible. Information concerning a TMSC product accident and countermeasures will also be disclosed on the website of the Pharmaceuticals and Medical Devices Agency (PMDA).

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

Quality conference with overseas subsidiaries

In May 2013, managers in the quality assurance department and the regulatory affairs department in each TMSC group international subsidiary gathered at TMSC Headquarters to hold their 2nd global meeting. Through face-to-face communication, they discussed their quality management systems and the regulatory trends in each country, established common issues, and shared up-to-date information. We will continue to expand this meeting in order to strengthen cooperation among international subsidiaries and provide high-quality products that meet the needs of customers in various regions of the world.



We are expanding customer support functions so that customers can use medical equipment in a safe and comfortable environment.

Globally offered dedicated service training programs for biomedical engineers

In order for customers to enjoy the optimum performance of Toshiba systems, a variety of training programs for service engineers, application specialists, and biomedical engineers (BMEs) are offered at the Customer Support & Training Center, which is located within the premises of TMSC.

Dedicated service training programs for BMEs have been offered by TMSC since 2000, and we have received 183 participants from 29 countries. Demand for these BME programs has been increasing, and they are highly appreciated not only by BMEs, but also by the academic sector in recent years. For example, academic instructors from a medical technology institute where Toshiba medical systems are installed attended a BME service training program. After each training course, we have been distributing questionnaires about our programs so that we can provide enhanced programs that reflect the wishes of our customers.

Enhanced maintenance services through remote maintenance system

At the technical call center, the InnerVision™ remote maintenance system is utilized for remote diagnosis of problems occurring in systems installed at customer sites. The collected data is analyzed to determine the condition of the system and identify problem parts. The customer engineer is then notified to ensure the earliest possible recovery of the system. In addition, at the application call center, there are application specialists with extensive experience. Using the remote maintenance system, they can view the same screen as that on the system at the customer's site and advise the customer on the most appropriate methods of operation.



In order to satisfy a broader range of customers, we are finding a variety of ways to meet customers' healthcare requirements.

Establishing a 3R center for sale of refurbished medical systems as safe, high-quality products

Recently, there have been cases of usable medical systems being disposed of after newer models were introduced, or being sold without proper maintenance being performed. In November 2013, we established the "3R center", a refurbishment facility at TMSC Headquarters. We take usable medical systems as trade-ins and refurbish them for resale in Japan and other countries as cost-effective and high-quality used products. By March 2014, we had already shipped seven refurbished systems (Aquilion™ 64) to customers in Japan, Korea, India, Pakistan, and Venezuela. Currently, most of the used medical products in the market are supplied by third-party companies. Our refurbishment and resale business can significantly differentiate our products in terms of quality and safety from those supplied by third-party companies. We will continue to promote trade-in and resale of used medical products in Japan and overseas countries in order to expand our customer base.



Aquilion 64, our first refurbished product



3R center



3D movie previews show not only the equipment but also the positions of medical personnel and the patient

Utilizing advanced 3D technology for site planning

We make 12,000 layout drawings annually for our customers. With extensive clinical knowledge and experience, our operators are able to offer a variety of layout plans that exactly meet the customers' needs. In addition, we have dramatically upgraded our presentation capabilities from 2D to 3D. We can provide photorealistic layout images, such as 3D renderings of the customer's room, so that they can view the installation in advance. With continual improvements, we will be able to submit all layout drawings in 3D in the near future. As a leading company, we will continue to utilize 3D technology for our customers' site planning.



3D technology can display the same room with different interior design and lighting.

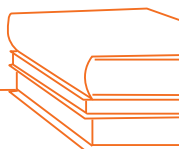
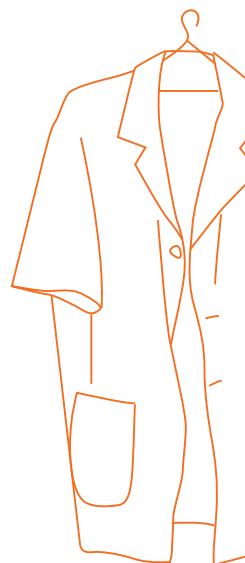
Voice of the User



"We are very satisfied with the quality of the refurbished product"

Dr. Jiten Borkakoty, Medical Superintendent and Director, B-J Hospital, India

We wanted to purchase a CT system to provide healthcare to as many underprivileged patients as possible, but our budget was limited. We had been using a Toshiba diagnostic ultrasound system, Nemio™ XG, and were very happy with Toshiba's service, so we decided to purchase a refurbished CT system from TMSC. We had no worries about the cost and quality of the system we purchased, as we knew that it was refurbished by the manufacturer. When the system arrived at our hospital, we were surprised because it looked as good as new: perfectly clean and without any external or internal damage. Since we began using the system, it has been operating without any problems. We believe that having a leading Japanese medical systems manufacturer like TMSC engaged in this business provides excellent support for healthcare professionals around the world, and we look forward to further development of Toshiba's refurbishment business.



For the benefit of people and society, we engage in a variety of activities to serve the local community.

Promotion of the Pink Ribbon Campaign

We are supporting the Pink Ribbon Campaign, which promotes the importance of breast cancer screening for early detection and treatment of breast cancer. We are implementing various activities at venues across Japan in order to increase the number of women who receive breast cancer screening, such as distribution of breast cancer screening guidebooks and exhibition of campaign vehicles.

We are also participating in events such as the Pink Ribbon Festival and the Pink Ribbon Smile Walk, introducing mammography examinations, and encouraging women to receive periodic breast cancer screening.



33rd Otawara Yoichi Festival

Every year, TMSC participates in local events to enhance communication with local communities. In 2013, 200 Toshiba Group employees participated in the 33rd Otawara Yoichi Festival and received an outstanding performance award for their festival dance.



The 25th Yoichi no sato Otawara-shi Sangyo Bunka-sai (Otagawa City Industry Festival)

At the "25th Yoichi no Sato Otawara-shi Sangyo Bunka-sai", held in autumn, about 350 people visited our booth. We exhibited a breast cancer screening vehicle, provided an opportunity for visitors to simulate breast self-examination using artificial breasts, and demonstrated a portable diagnostic ultrasound system. At this annual exhibition, we have been raising breast cancer awareness and communicating the importance of early diagnosis and detection to people from the local community.



Periodic cleaning activities in areas around TMSC Headquarters

At TMSC Headquarters, as part of activities to serve the local community, employees have been volunteering to conduct monthly cleaning activities since July 2013. In addition, cleaning around TMSC Headquarters has been carried out every year in cooperation with some of our branch offices and group companies.



Blood donation activities

In cooperation with the Tochigi Red Cross Blood Center, TMSC Headquarters has been continuing to encourage employees to donate blood, and raising awareness of bone marrow registration.



Baseball seminar

As part of its activities to enhance communication with the local community, TMSC held the first baseball seminar at its headquarters in Otawara, Tochigi Prefecture, inviting a field manager and players of the Toshiba baseball team as coaches. Sixty students from local junior high schools participated. Coaching by skilled baseball players comparable to professionals was highly appreciated, not only by the students but also by their teachers and parents.



Supporting a local medical seminar for children

In Hokkaido, local authorities have been holding a medical seminar for elementary school students in cooperation with the Hokkaido Medical Association, aiming to foster human resources who will one day be the providers of regional medical care. TMSC has been supporting this event by exhibiting a diagnostic ultrasound system. In order to encourage more students to become involved in regional healthcare in the future, we will continue to support this event by providing access to medical equipment used at healthcare sites.



Snow removal for elderly householders

In cooperation with a local social welfare organization, employees at the Hokkaido regional office have been volunteering to help householders over 65 years old, who for physical or financial reasons are unable to clear snow by themselves.



Toshiba Medical Systems Turkey, a newly established subsidiary of TMSC, is involved in a wide variety of activities.

Improving occupational health and safety at each workplace

Since Toshiba Medical Systems Turkey (TMST) became a subsidiary of TMSC, an occupational health and safety management system has been established which includes periodic employee training, risk assessment, improved working conditions, and occupational health and safety activities at each workplace. This new measure has resulted in improved employee satisfaction.



Voice of the Staff member

Vural Yuksel, CT
Support Engineer
Toshiba Medical
Systems Turkey



"We can now work in a safer environment."

TMST requested an external company to provide training to employees concerning job safety issues. The training helped us understand the risks associated with the medical business. As a precautionary measure, a new work process has also been set up to keep employees informed of risks they may face during work. As technical service engineers, we previously used some personal protection tools, including dust masks and gloves, during our work. In addition to these, we are now provided with professional protection tools, so-called "personal protection kits", by the company, which significantly reduces the risks. Furthermore, we are very glad that there is always a doctor available at our office to consult about our health concerns.

Stocking spare parts

One of the components used in our X-ray CT systems was malfunctioning, and this was even preventing other system applications from running properly, which caused our customers a great deal of inconvenience. TMST quickly addressed the problem by stocking replacement parts so that broken parts can be replaced immediately. Later, the root cause of the failure was identified, and as a preventive measure, an additional step was added in the final test of the manufacturing process to ensure that the error no longer occurs.

Sponsoring a dormitory room at Yuzuncu Yil University

Yuzuncu Yil University in Turkey was severely damaged by the Van Earthquake in 2011. TMST supported the university's recovery efforts, funding one of the 48 rooms at the dormitory, which houses 192 students.



Voice of the Student

Ilknur Uslu, student
living in the dormitory
of Yuzuncu Yil
University



"We were able to return to normal life and continue our studies."

I am a student in the Molecular Biology and Genetics Department in Yuzuncu Yil University. After the Van earthquake, our university was severely damaged, and it was extremely difficult for us to get back to normal life and continue our education in adequate conditions. I especially wish to thank Toshiba for supporting the rebuilding of the dormitory, which helped us get back to normal life and continue our studies. I am very proud to live in the dormitory's Toshiba room, which was funded and equipped by Toshiba. It's good to know that Toshiba is not only a leading technology company, but also committed to active involvement in social affairs. Thank you again for your valuable support for our future!

Our subsidiaries around the world are supporting community service activities.

Contributing to cancer treatment and research with a walking event

Toshiba of Canada Limited (TCL) raised money to support a Toshiba group of five walkers participating as part of TEAM JDMI (Joint Department of Medical Imaging at the University Health Network) in their Shoppers Drug Mart Walk to End Women's Cancers in Toronto. Support and a lot of hard work from many people at Toshiba helped TCL to achieve their goal of contributing over \$10,000 to the End Women's Cancers fundraising effort. Almost 4,000 people took part in the walk, and it was announced that research, clinical enhancement, and survivorship programs for all women's cancers would be funded through the Princess Margaret Cancer Centre. An astounding \$8 million was raised in total. The funds raised will go toward establishing a world-class program for personalized cancer treatment at the Centre.



The Toshiba team in Toronto at the end of their walk

Lending diagnostic ultrasound systems and dispatching an application specialist for the customer's event

Toshiba Medical do Brazil (TMB) participated in a campaign held by Hospital Santa Marcelina, Sao Paulo, for prevention and control of aortic and arterial hypertension, lending three diagnostic ultrasound systems. During the campaign, TMB also appointed an application specialist to assist with tests performed by doctors on local citizens.

Donating a diagnostic ultrasound system to support improvement of regional medical care

TMB donated a diagnostic ultrasound system worth US\$25,000 to the Associação dos Amigos do Hospital de Rio Pardo - MG, to support improvement of healthcare facilities in the local community.

Holding a forest cleanup event

Every year, Toshiba group companies in Korea hold the "Toshiba Green Campaign", a cleanup event in Yangjae Citizens' Forest, Seoul. In 2013, the event was held for the 8th time since it started in 2006. About 400 employees from all seven Toshiba group companies in Korea participated in the event, embodying the Toshiba Group slogan, "Committed to People, Committed to the Future". Despite the rain, participants diligently performed a variety of cleanup activities, including garbage collection, cleaning of river areas, and clearing away fallen leaves.



Participants in the forest cleanup event in Korea

Environmental Report

As one of the world's foremost eco-companies, we strive to create environmentally conscious products.

Environmental policy

Recognizing that the Earth is an irreplaceable asset, the Toshiba Medical Systems Group strives to develop and provide environment-conscious medical equipment and systems in order to contribute to community and medical care services. This is the responsibility and commitment of the Toshiba Medical Systems Group, which is expanding its business worldwide. Based on this philosophy, we promote environmental activities, to the extent technically and economically feasible, in accordance with the Toshiba Commitment, Toshiba Group's Basic Policy for the Environment, and the Code of Conduct of the Toshiba Medical Systems Group.

President and Chief Executive Officer Toshio Takiguchi



1

The Toshiba Medical Systems group considers environmental stewardship to be a primary responsibility of management. The group specifies and periodically reviews its objectives and targets through assessment of the environmental aspects of its business activities, products, and services. All staff members work towards this goal in order to continuously improve the environmental management system and its performance, and to prevent pollution.

2

The Toshiba Medical Systems group complies with all laws and regulations concerning the environment, agreements on pollution prevention, and its own stricter standards, taking effects on the environment and on biodiversity into consideration.

3

The Toshiba Medical Systems group selectively specifies the following objectives in order to reduce the environmental impact of its products and business processes.

- (1) Developing and providing environmentally conscious products and services which contribute to reducing environmental impact throughout their life cycles.
- (2) Reducing the environmental impact of all business processes, including design and development, manufacturing, sales and distribution, servicing, and disposal, with a focus on the prevention of global warming, efficient utilization of resources, and control of chemical substances.
- (3) Promoting biodiversity conservation activities in cooperation with communities.

4

Maximizing disclosure and enhancing communication in order to facilitate mutual understanding with communities and customers.

Environmental Vision 2050

People leading enriched lives in harmony with the Earth – this is the ideal situation envisaged in the Toshiba Group Environmental Vision 2050. The plan considers prevention of global warming, effective use of resources, and management of chemical substances throughout the life cycle of a product ("making, using, returning, reusing"), and is aimed at achieving harmonious coexistence with the Earth.

Environmental Vision 2050.

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



With the aim of achieving a sustainable society, we have taken a variety of measures to reduce our environmental impact.

Aiming to provide products that deliver the industry's highest level of environmental performance

In order to develop products with excellent environmental performance, Toshiba Group has established an "Excellent ECP" certification system. Only products that achieve the industry's highest level of environmental performance at the time of release are recognized as Excellent ECPs. In FY2013, eight products were recognized as Excellent ECPs.

* Excellent ECP (ECP=Environmentally Conscious Products): Toshiba Group's internally recognized industry-leading eco-products that, at the time of release, achieved major environmental performance in terms of "prevention of global warming", "effective use of resources", and "management of chemical substances".

Highlighting the strong environmental performance of our products at world exhibitions

Since 2011, in order to raise awareness among customers, we have been actively highlighting the strong environmental performance of our products at major exhibitions held around the world. In 2013, we exhibited our products in Japan, East Asia, the Middle East and South America. We are making efforts to participate in more international exhibitions in order to expand sales of our products that deliver excellent environmental performance.

Voice of the Staff member



"We will actively promote environmental activities"

Yasuo Nobuta, Senior Executive Director, Member of the Board

Previously, medical systems were developed with clinical performance as the priority. However, in addition, systems must now provide strong environmental performance. In order to comply with international regulations on prohibited substances, such as the EU RoHS Directive (Restriction of the use of certain hazardous substances in electrical and electronic equipment), TMS has recently established a system to control chemical substances throughout its organization. In addition, in order to comply with the EU ErP Directive (Energy-related Products Directive), we participated in COCIR (European Coordination Committee of the Radiological, Electromedical and Healthcare IT Industry) to actively engage in energy-saving and resource-saving activities. However, our environmental activities are not driven by laws and regulations alone. Enhanced environmental performance is an attractive product feature that leads to cost reductions for our customers. It accelerates market penetration of our environmentally conscious products, and eventually brings us profits that are used for further improvements in environmental performance. By correctly understanding this cycle, we will actively and continuously enhance our environmental activities.

"Kanto Bureau of Economy, Trade, and Industry Director General's Award"

We received the "Kanto Bureau of Economy, Trade, and Industry Director General's Award" as a manufacturer that achieved remarkable performance in efficient use of electricity, in promotion of energy-saving activities, and in improvement of load factors. We will continue to promote energy-saving and electricity-conservation activities while raising the environmental awareness of all employees.



We are working hard to reduce our environmental impact to achieve the targets for Toshiba Group's "Environmental Vision 2050".

Envisaging the ideal situation it intends to achieve by mid-century, Toshiba Group established its "Environmental Action Plan", and controls target values for each environmental activity item. In the Fifth Environmental Action Plan for 2011 to 2015, we have set mid-term target values. We will increase the percentage of environmentally conscious products in our total sales, and reduce CO₂ emissions in processes from product development to manufacturing and sales, working hard to ensure that the goals set for 2050 are achieved. The progress of the Fifth Environmental Action Plan in FY2013 is shown in the following table. We achieved almost all the targets set for FY2013.

Results of FY2013 for the TMSG Fifth Environmental Action Plan and major projects for FY2014 and later

		Item	Target for FY2013	Achieved value/evaluation			Item	Target for FY2014	Target for FY2015
Green of Product	Provision of environmentally conscious products	Sales of Excellent ECPs	26% or more	37%	Green of Product	Provision of environmentally conscious products	Sales of Excellent ECPs	40% or more	44% or more
		Calculation of product eco-efficiency	70% or more	68.2%			Calculation of product eco-efficiency	72% or more	74% or more
Green of Process	Prevention of global warming	Reduction of energy-originated CO ₂ emissions per production unit	Reduction of 4% or more (compared to FY2010)	7% reduction	Green of Process	Prevention of global warming	Reduction of energy-originated CO ₂ emissions per production unit	Reduction of 1% or more (compared to FY2010)	Reduction of 11% or more (compared to FY2010)
		Reduction of logistics-originated CO ₂ emissions per production unit (for logistics in Japan)	±0% (compared to FY2010)	9% reduction			Reduction of logistics-originated CO ₂ emissions per production unit (for logistics in Japan)	15% reduction (compared to FY2010)	18% reduction (compared to FY2010)
	Effective use of resources	Reduction of the total amount of waste generated per production unit	Reduction of 31% or more (compared to FY2010)	34% reduction		Effective use of resources	Reduction of the total amount of waste generated per production unit	Reduction of 37% or more (compared to FY2010)	38% reduction (compared to FY2010)
		Reduction of the amount of final disposal	0.3% or less (rate of final disposal)	0.3%			Reduction of the amount of final disposal	0.1% or less (rate of final disposal)	0.1% or less (rate of final disposal)
	Management of chemical substances	Reduction of chemical substances handled per production unit	0.007t /100 million yen or less	0.002t /100 million yen		Management of chemical substances	Reduction of chemical substances handled per production unit	0.002t /100 million yen or less	0.002t /100 million yen or less
Green Management	Conservation of biodiversity	Survey of flora and fauna in the grounds of TMSG Headquarters and in the surrounding area	Conducted 4 times Approximately 500 species observed	Green Management	Conservation of biodiversity	Creation of biotope Survey of flora and fauna	Survey of flora and fauna in cooperation with employees and local communities		

* From FY2013, the electricity to CO₂ conversion factor is changed from 3.5 t/10,000 kWh to 5.1 t/10,000 kWh.

* From FY2013, "waste" only includes general and industrial waste, and does not include waste that can be converted into objects with value.

Evaluation standard : Achieved

: Achievement rate above 80%

: Achievement rate below 80%

With the aim of achieving further business growth while reducing our environmental impact, we are strengthening our system for promoting environmental activities.

Environmental activity promotion system

With the aim of achieving business growth while reducing our environmental impact, we established an "Environmental Management Department" in 2011. The role of this department is to establish intermediate environmental management policies, and to assist in product planning, development, production, sales, and service activities from the viewpoint of environmental management.

Major Promotion System for Environmental Activities



Internal control

We are conducting internal environmental audits at group companies in Japan and overseas, as well as at our facilities, regional offices, and departments, according to their ranking in "Environmental Impact Evaluation". In addition, we are active in undergoing environmental audits by external organizations and Toshiba Corporation, which provide excellent opportunities to improve the level of our environmental management. The audit results are also fed back to our environmental management officer, and are utilized to further improve the environmental management system.

Environmental training for employees

Every year, we provide environmental training for managers of each department, so that they can share their knowledge with the department's employees. In addition, we are carrying out environmental training using "e-learning" for all employees, including those in affiliated companies.



"We are conducting environmental patrols in each department with the attendance of the deputy environmental management officer. Based on the principle that the actual situation should be checked on-site at the workplace, we check energy-saving measures and trash separation to ensure that environmental policies are followed."

Compact size, simple installation.
With environmentally conscious design, Vantage Elan aims to set the standard for the next generation of MRI systems.

MRI system

Vantage Elan



**FY2013
 Excellent ECP
 product**

In the development of Vantage Elan™, benefits in maintenance and service, such as faster installation and fewer periodic inspections, were considered at the product development stage, with the aim of providing an MRI system that minimizes downtime. In addition, while compact in size, Vantage Elan can provide the high-quality images required of 1.5-T MRI systems.

* Results compared with conventional system, EXCELART Vantage™ Powered by Atlas

CO₂ reduction effect

12.7t/year in the entire product life cycle
9.5t/year at the usage stage

Resource saving

5.6% reduction in product mass
48% reduction in packaging materials

Power saving

Up to 30% reduction in standby power consumption

Minimum installation area

30% reduction in area

Major environmentally conscious design features

Compact size and small footprint

With the smallest-in-class installation space (approx. 23 m²), Vantage Elan makes it easier to replace a permanent-magnet MRI system by eliminating the necessity of expansion work for the examination room. In addition, replacement with Vantage Elan™ requires minimum work for the shielded room, air-conditioning systems and electrical installations. The total installation costs can thus be reduced.

Extensive power-saving performance when not in use

Vantage Elan features Eco mode, in which the system automatically enters standby when the couch is lowered. Using Eco mode, no conscious effort is required by the operator to save energy. In addition, the maximum power consumption is reduced to approximately half of that for conventional models, contributing to environmental conservation and lower costs.

Designed for quicker installation, the system can be in use five days after carrying-in (earliest operation, for newly installed systems only)

When the system is newly installed, it can be operated (at the earliest) just five days after carrying-in. Downtime during the installation work can be minimized.

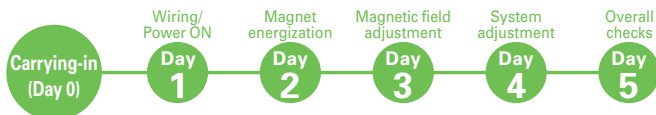
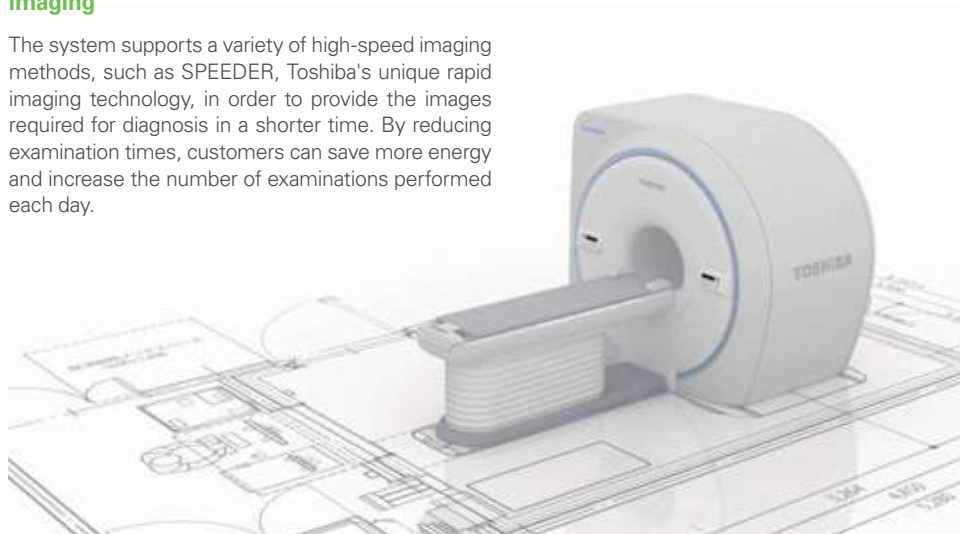
* The standard time schedule for installation work based on our simulation is as follows. This may vary according to the installation conditions and the progress of additional work performed at the site.

Employment of a small-capacity power supply for reduced power consumption

The rated power consumption of the system is also reduced to 1/3 of that for our conventional models, realizing lowest-in-class consumption of 25 kVA. This is lower than the standard rated power of inexpensive X-ray CT systems.

Efficient examinations with high-speed imaging

The system supports a variety of high-speed imaging methods, such as SPEEDER, Toshiba's unique rapid imaging technology, in order to provide the images required for diagnosis in a shorter time. By reducing examination times, customers can save more energy and increase the number of examinations performed each day.



Voice of the Staff member

"Vantage Elan is a system designed to maximize benefits for customers"

Akira Adachi, Senior Manager, MRI Development Department

We started a "zero-based" project for development of a next-generation MRI system, distancing us from our previous approaches and usual practices. With just two years for product development, we carefully analyzed and identified unnecessary costs for almost half a year, not only in manufacturing, but also in installation, maintenance and disposal, from the customers' point of view. Through this analysis, we found a competitive edge that led to product planning.

The systems division, development department, manufacturing department, sales department, and service department worked together as a team on bringing a product to the market that will reduce costs throughout its life cycle. Vantage Elan is an environmentally friendly system featuring a small footprint, power-saving performance, and quick installation. The importance of maintenance and service have been considered in its design, and economic benefits are maximized based on the concept "high-quality, simple, and compact".



Outstanding mobility for flexible examinations.

Xario 200 is a high-end diagnostic ultrasound system employing environmentally conscious design.



Diagnostic ultrasound system

Xario 200

FY2013
Excellent ECP
product

While inheriting the basic concept of conventional Xario systems, Xario™200 is more compact and consistently provides high-quality imaging. It is designed so that even technologists and physicians who are less familiar with diagnostic ultrasound systems can easily operate it. In addition, the power consumption has been reduced by 14% compared to conventional models of the same class, realizing further energy savings.

* Compared with previous Xario™200 model

CO₂ reduction effect

305kg/year
in standby power consumption

39kg/year
at the usage stage

Resource saving

48% reduction
in product weight

24% reduction
in packaging materials

Power saving

Up to **14%** reduction
in the entire product life cycle

Major environmentally conscious design features

Compact system suitable for small spaces

The most significant feature of Xario 200 is its compact size. It is now much smaller, with the volume reduced by approximately 60% compared to conventional models.

Lightweight system with outstanding mobility

The mobility of the system has been considerably improved by reducing the weight compared to conventional models. As well as being used in the examination room, the system can be carried into a hospital room where the patient is staying, allowing flexible examination workflows.

Reduced standby power consumption for smart energy saving

Power consumption during standby has been reduced. In addition, total power consumption is minimized through Sleep mode.



Voice of the Staff member

"We would like to provide a better examination environment"

Kazufumi Ishiyama, Senior Manager, Ultrasound Systems Division

Although it is essential for us to minimize our environmental impact by improving the performance and functions of our products, such as reducing power consumption, product size, and weight, and enhancing product mobility, approaches in terms of logistics and of how our products should perform is also important. For example, we are making efforts to reduce waste by using returnable containers and recyclable materials for packaging of diagnostic ultrasound systems to be supplied to customers. In product development, a software-based platform has been employed to facilitate delivery of new technologies to customers, so that they can easily update their systems and use the products for longer. The most important thing is to develop and provide a product with excellent image quality and operability that contributes to more reliable diagnosis, and to help customers create a better examination environment with reduced examination times. We engage in our business with this in mind.



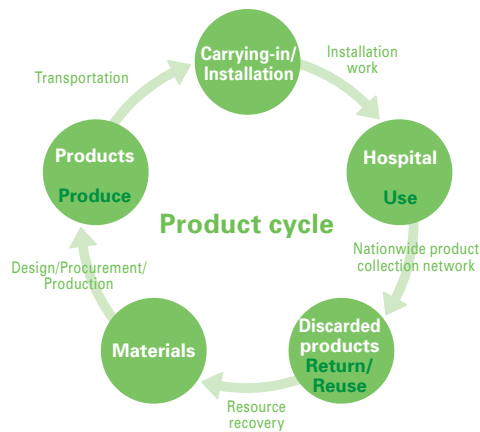
We continuously aim to attain the industry's highest level of environmental performance.

Promotion of development of environmentally conscious products

We have established product development and design processes in accordance with International Electrotechnical Commission regulation IEC 60601-1-9*1 concerning environmentally conscious design, and have been implementing a life cycle assessment that takes all processes into account, from product planning to development, production, servicing, and disposal (recycling). With these efforts, we are aiming to provide environmentally conscious products (ECP)*2. We have also been making strong efforts to develop technologies for improving the environmental performance of our products.

*1. International Electrotechnical Commission regulation IEC 60601-1-9: An IEC regulation that specifies requirements for environmentally conscious design (issued in July 2007). The purpose of this regulation is to ensure compliance of medical devices with the environmental regulations in each country, which are becoming stricter each year.
 *2. ECP: Environmentally Conscious Products

Outline of Product Recycling



Efforts to manage chemical substances

In order to ensure safe and comfortable use of our products by customers, we have been reinforcing measures to reduce the use of chemical substances (or total elimination of some substances) that are suspected to cause harm to the human body or to the environment, and to control products and parts that contain such substances. When procuring parts and materials, we collect data on the chemicals and substances they contain with cooperation from our business partners. We have established a system in which this information is stored in a database. In FY2013, we reviewed our system in order to comply with the EU RoHS Directive to be issued in July 2014.

Promotion of effective use of resources

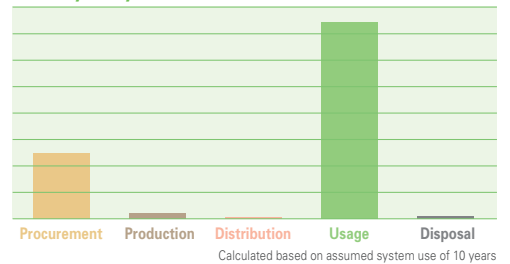
With the aim of achieving a recycling-oriented society, we have been promoting "3R design" by reducing the size and weight of our products, actively employing recycled parts, and increasing the use of renewable materials. We also take various measures to reduce the amount of packaging materials used for transportation of products and parts. Such measures include minimizing use of packaging materials, reducing the size of packaging, optimizing the packaging style according to the delivery destination, increasing the rate of reuse of packaging materials, expanding use of returnable containers for parts procurement, and shipping onward in the manufacturer's own packaging.

3R Reduce
Reuse
Recycle

Efforts to prevent global warming

As medical systems are generally used for many years and the daily operating times (including standby time) are also extensive, CO₂ emitted at the usage stage normally accounts for the majority of the CO₂ emitted over the entire life cycle of the product. While ensuring the high reliability required for medical systems, we will further enhance measures to reduce product CO₂ emissions by employing energy-saving technologies, a wide range of applications to shorten examination times, and technologies for improving operability.

Energy input rates for medical equipment (example of an X-ray CT system)



Green procurement initiatives

We have established an "environmentally controlled substances investigation system" that enables investigation and registration of substances to which the latest regulations apply. At the same time, we have revised the TMSC "Guidelines for Green Procurement", and held an orientation meeting for all of our business partners to request replacement of existing parts and materials if a lower environmental impact can be achieved (in particular, we aim to reduce content of controlled chemical substances), as well as to encourage them to work hard on development of new parts and materials. To provide safer and more reliable products, we will further improve our relationship with our business partners and strive to reduce the burden on the environment, using a wide range of methods such as enhanced control of chemical substances throughout the entire supply chain, reduction of CO₂ emissions, and promotion of resource circulation.

In our business activities, we take measures to achieve harmonious coexistence with the natural environment, such as energy conservation and recycling.

Promotion of energy-saving activities through Energy-saving Promotion Project

In January 2013, we started an Energy-saving Promotion Project. In this project, departments handling environmental and facility management and manufacturing departments collaborated on promotion of energy-saving activities. By reducing standby power consumption and operating times of manufacturing machinery and making improvements in our business operations, annual CO₂ emissions were reduced by 839 tons. This is equivalent to the amount of electricity used by about 455 general households per year.



Reflow furnace in the PWB production line

Installation of large-scale shredders

Previously, our confidential documents were handled as waste for incineration. In May 2013, we installed large-scale shredders at TMSC Headquarters so that these documents can be shredded and recycled as waste paper (objects with value).



Comprehensive water quality control and testing

For wastewater from TMSC Headquarters, we have established independent control values that are stricter than those specified in the applicable laws and regulations, and in agreements with local cities. The water quality is monitored through comprehensive water quality testing and observation of fish in a test tank at the wastewater treatment plant at TMSC Headquarters, and only clean water that meets the regulation values is discharged to the river.



Introduction of LED lighting

We began installing LED lighting in April 2013. 5700 lights, mainly in manufacturing areas undergoing renovation, were replaced with LED lights. This has led to a reduction of 255 tons in annual CO₂ emissions.

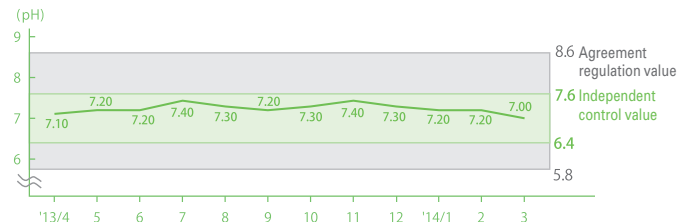


Recycling plastics by waste classification

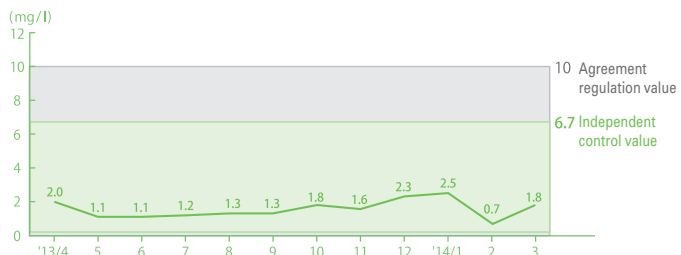
Previously, all cushioning materials made of waste plastics were disposed of as industrial waste and recycled as solid fuel. We are enforcing separation of polyethylene and polypropylene from cushioning materials, and promoting recycling as plastic raw materials (objects with value).



Hydrogen Ion Concentration Index (pH)



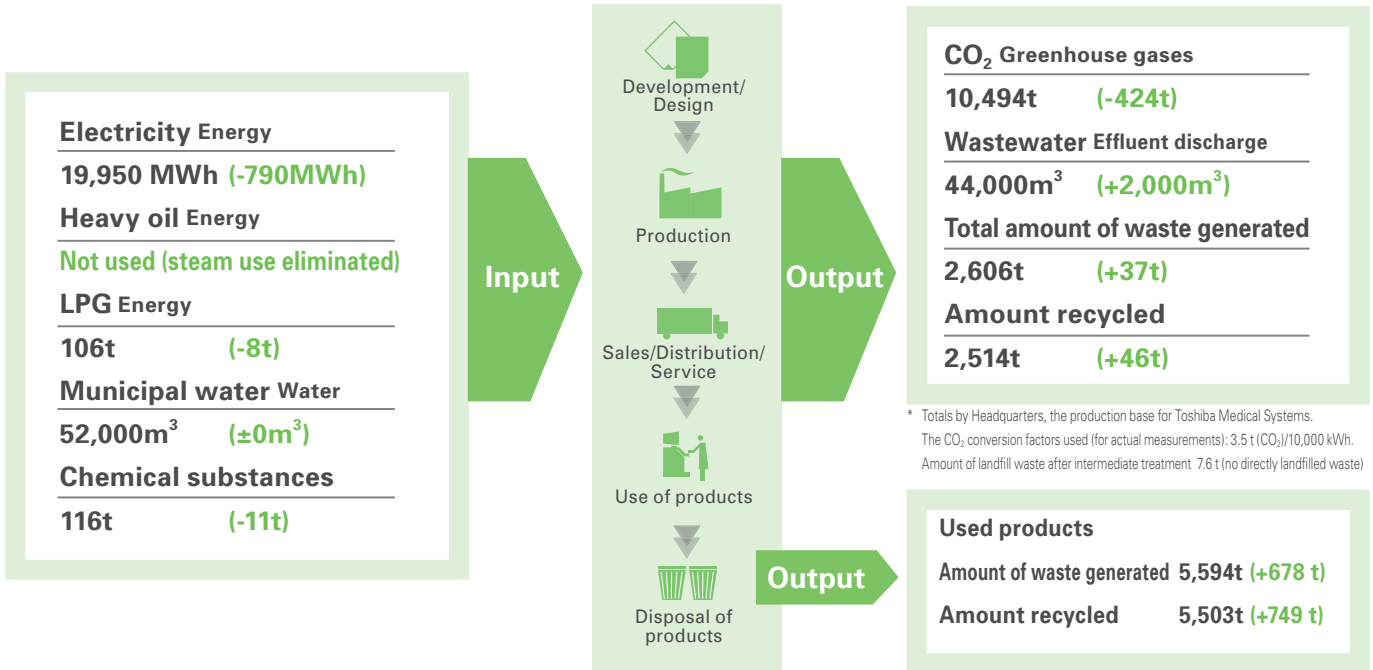
Biochemical Oxygen Demand (BOD)



We are collecting data and assessing the cost of our environmental impact to serve as a guideline in our business activities.

Environmental impact flow diagram in FY2013

Values in parentheses indicate differences from FY2012 results.



We are assessing the costs and benefits of our environmental protection activities to serve as a guideline in our business activities.

Environmental accounting report

<Unit: million yen>

• Costs of promoting environmental activities

Classification	Content	Investment expenditure	Costs during the period
Business area costs	Reduction of environmental impact <1> to <3>	503	543
Breakdown			
① Pollution prevention costs	Pollution of atmosphere, water quality, soil, etc.	0	56
② Global environment protection costs	Prevention of global warming, protection of ozone layer, etc.	496	366
③ Resource circulation costs	Effective use of resources, waste reduction, etc.	7	121
Upstream/downstream costs	Green procurement, recycling, etc.	19	147
Administration costs	Labor costs for environmental training, environmental protection, etc.	0	235
Research and development costs	Development of environmentally conscious products, etc.	0	2,090
Social activity costs	Tree planting, disclosure of information, etc.	0	0
Environmental remediation costs	Air pollution levy, etc.	0	0
Total		522	3,015

• Benefits of promoting environmental activities

Classification	Content	Total
Actual benefits	Benefits that can be directly converted into a monetary amount, such as reductions in electricity and water charges	-150
Assumed benefits	Benefits concerning reduction in environmental impact converted into a monetary amount*	-5
Customer benefits	Benefits concerning reduction in environmental impact at the usage stage converted into a monetary amount	576
Risk prevention benefits	Calculated value of reduction in environmental risk before and after investment	0
Total		421

• Breakdown of actual benefits

Item	Reduction of environmental impact*	Benefits converted into a monetary amount
Energy	6700(GL)	-155
Waste	356t	8
Water	-9,900m ³	-3
Total		-150

• Breakdown of assumed benefits

Item	Reduction of environmental impact*	Benefits converted into a monetary amount
Wastewater-related	151kg	-8
Atmosphere-related	68kg	3
Total		-5

• Breakdown of customer benefits

Item	Reduction of environmental impact*	Benefits converted into a monetary amount
Environmental impact reduction benefits at the usage stage	33,883(Mwh)	576

* Difference between FY2012 and FY2013

Target scope of totals: Toshiba Medical Systems Corporation and group companies in Japan and other countries (for offices with 30 or more employees)

Totalling period: April 1, 2013 to March 31, 2014

Totalling method: Environmental protection costs according to the Ministry of the Environment's "Environmental Accounting System Guidelines", environmental protection benefits according to Toshiba Group's standards.

We are performing environmental awareness activities with our stakeholders.

Visit to TMSC Headquarters to learn about waste processing (event organized by Tochigi Prefecture)

At the request of Tochigi Prefecture, and as a company that actively supports waste reduction, we invited local residents to TMSC Headquarters to learn about waste processing. It was the school summer vacation period, and many parents participated with their children. The event was even reported by a local TV station. Participants gave their impressions on our environmental activities. Comments included, "I would like to communicate the importance of trash separation to my children."



Visit to TMSC Headquarters to learn about promotion of biodiversity conservation

Members of the environmental division of the Institution of Professional Engineers, Japan, visited TMSC Headquarters to learn about our efforts to promote biodiversity conservation. We explained that it is a critical mission for us, as a business enterprise, to promote biodiversity conservation and preserve the fragile global environment.



Factory tour for local elementary school students

During the factory tour, children listened to explanations by our staff with interest, particularly when they heard that gold can be collected from waste PWBs! They also visited a workplace where glassworking is performed, and were surprised to see how skillfully melted glass can be shaped.



Group cleaning for "Environment Day"

This is a volunteer activity performed by nine companies in the industrial complex in which our headquarters is located. The purpose is "contribution and service to the local community, environmental beautification, and raising the environmental awareness of employees". This year was the 20th anniversary of this local environmental event.



We aim to create an environment where more species can live in harmony with nature.

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

Activity details

1. We will take appropriate measures to protect ecosystems when building factories or relocating facilities.
2. We will collaborate with local public agencies and private organizations.
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 business.

Survey of flora and fauna

In accordance with the Toshiba Group Biodiversity Guidelines, TMSC started a Biodiversity Promotion Project in 2012, and holds a variety of activities. TMSC Headquarters is surrounded by a natural biotope. Surveys conducted in FY2012 confirmed about 500 species of animals and plants. In FY2013, we designated two plants (*Cynbidium goeringii* and *Liparis kumokiri*) and one animal (butterfly) as index organisms in our survey.

Index organism	FY2013	FY2012 (reference)
Butterflies	40 species	25 species
Cynbidium goeringii	70 plants	20 plants
Liparis kumokiri	25 plants	17 plants



Goshawk chicks



Liparis kumokiri



Fritillary

Nature Walk

In August 2013, we held our first nature walk in the grounds of TMSC Headquarters and surrounding areas. 41 people participated, including families of employees and members of an NPO. During the walk, a northern goshawk, a rare species, was seen flying with its offspring, and their calls were also heard. In addition, participants were able to observe roadside plants and small insects which they normally would not notice. As the walk provided a valuable opportunity for a closer look at nature, we will hold more of them in future.



Reporting biodiversity conservation activities on our website

A page entitled "Biodiversity conservation activities" was added to our website to report our biodiversity conservation activities. In order to preserve the fragile global environment, we will strive to provide a better biological environmental in balance with nature at our facilities.



Creation of a biotope

At a location in the grounds of TMSC Headquarters where pine trees were blown down in a storm, we have created a biotope to attract wildlife. Although the new trees are recently planted, employees are already keen to see which species will inhabit the area as the trees grow.



Nature Guide

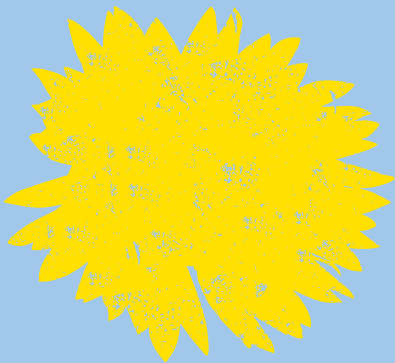
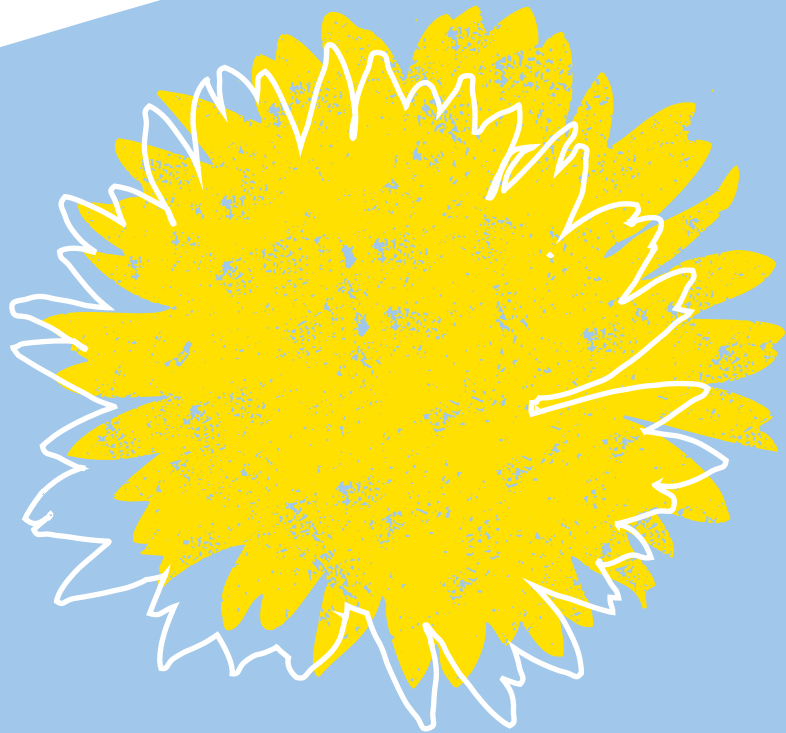
We have issued a "Nature Guide" that summarizes the results of our survey of flora and fauna found in the grounds of TMSC Headquarters and surrounding areas throughout the year. In FY2012, 513 species of animals and plants were confirmed. Among them, 15 species are listed in the Tochigi Red List of threatened species. The locations where these species were spotted are marked on a map.



WATCHER'S VOICE

- We learned a lot about wildlife through actual contact and hearing detailed explanations by TMSC staff.
- It was a good opportunity to take a close look at wildlife that we do not normally notice.
- I believe it was a very good and enjoyable event, both for adults and children.





TOSHIBA MEDICAL SYSTEMS CORPORATION

Headquarters: 1385 Shimoishigami, Otawara-shi, Tochigi-ken, JAPAN Tel: +81-287-26-6211

<http://www.toshiba-medical.co.jp>

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