

SUMMARY OF FINDINGS

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◆ PURPOSE AND SCOPE OF THE ENGAGEMENT

The purposes of this engagement were to assess whether the “Toshiba Corporate Social Responsibility Report 2006” (“the Report”) of Toshiba Corporation (“Toshiba”) is accountable to its stakeholders **from the point of view of the “AA1000 Principles (Materiality, Completeness, and Responsiveness)”** and to outline “Good Points” and “Issues to be addressed” at the request of Toshiba. This engagement report does not provide any assurance on the Report.

◆ OUTLINE OF OUR WORK

We assessed the Report principally by conducting interviews with the individuals involved with the Report.

MATERIALITY

Has Toshiba communicated in the Report the information on its CSR activities which its stakeholders need in order to evaluate, make decisions, and take actions?

GOOD POINTS

- * Toshiba has identified its key stakeholders and has gained a comprehensive understanding of their concerns and interests to the fullest extent possible through communication with them.
 - ◇ Toshiba grasps customers’ concerns and interests via customer satisfaction questionnaires, customer contact centers/points, and customer support/services. The identified concerns and interests are reported to the Customer Satisfaction Promotion Committee, and material issues are reported to the board of directors via the CSR Governance Committee. (Customers)
 - ◇ Toshiba grasps employees’ concerns and interests by conducting the TEAM survey, which is a survey of employees’ values and attitudes, setting up the Employee Counseling Rooms, establishing the Gender Equality Office, providing the consultation services, and holding the Toshiba Group Labor-Management Congress. The identified concerns and interests are reported to the president and the board of directors via the Advisory Committee dedicated to promotion of gender equality & Diversity, the Human Rights Committee, and the CSR Governance Committee. (Employees)
 - ◇ The Corporate Procurement Division maintains communications with the affiliated companies, and the employees involved with procurement at the in-house companies maintain communications with their suppliers. The concerns and interests identified through these communications are reported and shared at the meetings of procurement officers of each in-house company and of the Corporate Procurement Division. The material concerns and interests are then reported to the management. (Suppliers)
 - ◇ Toshiba communicates with their shareholders and investors in the following ways: the shareholder questionnaires; IR meetings; visits to foreign institutional investors by Investor

Relations Group in Corporate Communications Office; and talks with domestic and foreign institutional investors and analysts on their visits to the board members including the president as frequently as possible. The Investor Relations Group centrally consolidate the information gained through these communications and report the material issues to the management from time to time. (Shareholders and investors)

- ◇ Social Contributions Office obtains external stakeholders' opinions and desires with respect to Toshiba's contributions to society through Toshiba's website. The department also obtains internal stakeholders' views and requests directly from employees. Material stakeholder views and requests are reported to the board of directors and the president via the Corporate Citizenship Committee and the CSR Governance Committee. (Community)
- * In determining material issues, Toshiba considered the following:
 - ◇ The issues, such as legal compliance, which have direct, short-term, and financial impacts.
 - ◇ The issues relating to Toshiba's vision, namely the "Toshiba Group's CSR."
 - ◇ CSR activities of the other companies in the same trade and the issues reported by these companies in their CSR reports.
 - ◇ Stakeholders' concerns and interests identified through stakeholder communication.
 - ◇ The issues concerning the UN Global Compact, and those required with respect to the indicators in the Global Reporting Initiative Sustainability Reporting Guidelines.
- * Listed below are the material issues covered in the Report:
 - ◇ Toshiba clearly indicates that CSR is at the core of its corporate philosophy. The Group slogan "Committed to People, Committed to the Future. Toshiba." expresses the thrust of CSR at Toshiba. Toshiba places the highest priority on "human life and safety" and "legal compliance."
 - ◇ Toshiba reports on the relations between the Group and the key stakeholders it identified.
 - ◇ Toshiba outlines its CSR management system, its CSR practices, and the periodical checks and audits.
 - ◇ In the Highlights section, Toshiba introduces its response to the RoHS Directive of the European Union and the stakeholder dialogue conducted in Thai, which is one of its key overseas sites.
 - ◇ Toshiba outlines its compliance and risk management system and policies, and the results compared with the targets for Fiscal 2005. Toshiba also outlines incidences such as the bid rigging and the inadequate change of flow meter data.
 - ◇ Toshiba recognizes that enhancement of customer satisfaction is material, and, in the section on customer relations, introduces its promotion system, policies, and concrete activities, such as provision of accurate product information and promotion of universal design.
 - ◇ Toshiba recognizes that timely disclosure of important management information and communication are priority issues, and, in the section on shareholder/investor relations, outlines its information disclosure policy and communications with institutional and individual investors.
 - ◇ Toshiba recognizes it material to foster relations of mutual trust with suppliers through fair and open transactions, and, in the section on supplier relations, outlines its CSR Procurement Policy, its requests for suppliers to promote CSR, and establishment of a whistle-blower system, the "Clean Partner Line."
 - ◇ Toshiba recognizes that respect for human rights and diversity, and provision of safe and comfortable working environment are material, and, in the section on employee relations, outlines the following practices: expansion of employment of the disabled; provision of support to female employees for their career development; and promotion of OSHMS.
 - ◇ Toshiba recognizes it material to take a global approach to its corporate citizenship activities, and, in the section on community relations, introduces the Basic Policy on Corporate Citizenship Activities, activities to commemorate its 130th anniversary, establishment of the Corporate Citizenship Award, and activities in the five key areas.
 - ◇ Toshiba outlines its environmental management promotion system, the Toshiba Group Environmental Vision 2010, and its environmental management plan for the Voluntary Environmental Plan.
 - ◇ Toshiba recognizes that prevention of global warming, control of chemical substances contained in products, and efficient utilization of resources of chemical substances in products are material, and, in the section on environmental impacts of products and business activities, outlines its efforts in the following fields: promotion of environmentally conscious products

(ECPs); reduction of energy consumption and greenhouse gas emissions; responses to the PRTR Law; and zero emission of waste materials.

COMPLETENESS

Does Toshiba have all the necessary information on the material issues?

GOOD POINTS

- * Toshiba comprehends the status of its CSR activities and the impacts of these activities in the following ways, which are outlined in the Report:
 - ◇ Toshiba grasps the status of its CSR activities and legal compliance by conducting corporate audits through self-inspection (the “self assessment program”).
 - ◇ Toshiba grasps the status of its environmental activities at actual workplaces by conducting environmental audit.
 - ◇ Toshiba grasps the CSR promotion status of overseas subsidiaries by conducting CSR survey.
 - ◇ Toshiba grasps the status of CSR activities of the Group companies, including legal compliance and environmental initiatives, through checks and audits by an organization dedicated to promotion of CSR.
- * Toshiba has made the GRI Content index available on its website so that readers can compare the information presented in the Report with the information required with respect to the indicators in the GRI Sustainability Reporting Guideline 2002.
- * Toshiba has made the following data comparable with the data of other companies and/or those of the previous years in its effort to make the Report a reader-friendly one.
 - ◇ In the Toshiba Group Overview section and the Economic Performance section, Toshiba provides major management indicator (consolidated) for fiscal 2001 – 2005 and the distribution of economic value to stakeholders in fiscal 2004 and 2005.
 - ◇ Regarding compliance and risk management, Toshiba provides the results of employee surveys in fiscal 2004 and 2005 concerning the Toshiba Group Standards of Conduct.
 - ◇ Regarding employee relations, Toshiba provides the usage results of its human resources systems in fiscal 2004 and 2005 and the results of self-assessment of the Safety and Health Management Activities in fiscal 2004 and 2005. As to the rates of occurrence of accidents at work, Toshiba provides the data of Toshiba Group for fiscal 1996 - 2005, the average for manufacturing industry in Japan, and that for all industries in Japan.
 - ◇ In the Environmental Performance section, Toshiba provides the results of its efforts for attaining the Environmental Vision 2010 with respect to the prevention of global warming, management of chemicals, and resource utilization for fiscal 2000 – 2005.

ISSUES TO BE ADDRESSED

- * Toshiba has expanded, to the Toshiba Group worldwide, its understanding of its own CSR activities and impacts with the exception of the following activities, of which Toshiba has the data regarding the Group companies in Japan only. Toshiba should widen its understanding of these activities and impacts to the fullest extent possible.
 - ◇ The scope of the employee survey concerning the Toshiba Group Standards of Conduct is limited to the employees in Japan. Toshiba should expand the scope to include employees of the Toshiba Group worldwide.
 - ◇ Toshiba proactively obtains and understands stakeholders’ interests with regards to the environment through stakeholder dialogs on Factor T and by exchanging opinions with industrial organizations in Japan. Toshiba should hereafter hold stakeholder dialogs overseas as well, and should understand foreign stakeholders’ concerns and interests with respect to the environment.
 - ◇ Although Toshiba has extended, to the Toshiba Group worldwide, the measurement scope of the data of its environmental performance, the data regarding the Group overseas companies are not always accurate. Toshiba should try to improve the accuracy of the data..
 - ◇ The measurement scope of the data concerning product recycling is limited within Japan. Toshiba should expand the scope of data to include the enthusiastic recycling practices abroad.
 - ◇ In fiscal 2006, Toshiba launched corporate audits through self-inspection (the “self assessment program”) on the areas including CSR performance and legal compliance at the Group companies in Japan. Toshiba should expand the scope of the audits to cover the Toshiba

Group worldwide.

- ◇ The data regarding the results of self-assessment of safety and health management activities, the rates of occurrence of accidents at work, and the acquisition of OHSAS are limited to the Group companies in Japan. Toshiba should extend the scope to the Toshiba Group worldwide.

RESPONSIVENESS

Has Toshiba adequately responded to material issues, such as its stakeholders' concerns and interests, and communicated these responses in the Report?

GOOD POINTS

- * Toshiba has established the CSR Governance Committee, which discusses and determines how to respond to the material issues with respect to the environment, legal compliance, human rights & employee satisfaction, customer satisfaction, and contribution to society. The CSR Governance Committee's decisions on the Group policies and action plans are reported to the in-house companies and the Toshiba Group companies via the Corporate Environmental Management Committee, the Risk-Compliance Committee, the Advisory Committee dedicated to promote gender equality & Diversity, the Human Rights Committee, the Customer Satisfaction Promotion Committee, and the Corporate Citizenship Committee. Each organization concerned then develops and promotes its own concrete action plans in accordance with the Group-wide policies and plans.
- * Toshiba has developed the plans of corrective and remedial action on material issues for fiscal 2006, and has outlined them in the Report as follows:
 - ◇ To revise and enforce the Toshiba Group Standards of Conduct, to provide compliance education, and to enhance a whistleblower system.
 - ◇ To conduct the Toshiba Group Customer Satisfaction survey, to improve the Call Center, to improve product quality by utilizing "Voice of Customers," to provide clearer product information, and to further promote universal design.
 - ◇ To issue a quarterly shareholder newsletter for the enhancement of information disclosure to shareholders.
 - ◇ To expand employment of the disabled, to value diversity, to encourage the optimum employee work/life balance, and to proactively promote mental health measures.
 - ◇ To improve a system for monitoring the CSR promotion status of suppliers.
 - ◇ To increase the number of corporate citizenship programs and to promote a unique activities.
 - ◇ To steadily implement the Toshiba Group Environmental Vision 2010 and the Fourth Voluntary Environmental Plan, and to establish a Regional Supervisory Environment Division in Southeast Asia.
 - ◇ To expand the creation of environmentally-conscious products into new areas, and to implement a thorough management of chemicals in products.
 - ◇ To further promote measures to prevent global warming, to expand recycling of end-of-life products, to promote zero emissions at all sites, and to reduce releases of chemical substances to water and air.
 - ◇ To introduce its environmental activities through the media, and to make further presentations at domestic and foreign exhibitions.
- * Toshiba has adopted the following approaches in its efforts to prepare CSR reports which respond to the needs of various stakeholders.
 - ◇ Make the Report available both in the printed and website versions.
 - ◇ Provide a comparative table of the printed and website versions of the Report.
 - ◇ Support for a voice reading software.
 - ◇ Obtain a color universal design certification.

ISSUES TO BE ADDRESSED

- * Toshiba has established the CSR Action Plan for 2006 and the Mid-Term CSR Plan (mid-term CSR strategy roadmap for fiscal 2006 - 2008), and has set targets with respect to the following areas: human life & safety; legal compliance; global environment; customer satisfaction; human rights & employee satisfaction; contribution to society; and CSR implementation throughout suppliers. Toshiba should communicate these mid-term plans and targets in its future reports.

Note: This Summary of Findings is English translation of the original in Japanese