TOSHIBA
Leading Innovation

TOSHIBA MEDICAL SYSTEMS CORPORATION

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Made for Life™

TOSHIBA MEDICAL SYSTEMS CORPORATION
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Made for Life Report 2007

Toshiba Medical Systems Corporation Basic Commitment and Management Slogan

Basic Commitment

Toshiba Medical Systems Corporation contributes to healthcare and social welfare by providing innovative, advanced products and solutions to its customers worldwide.

When it comes to our medical technology, we let our Made for Life Philosophy be our guide. That means we

1. Offer technology that provides fast, accurate diagnoses, improved treatment and enhanced patient care.
2. Produce reliable systems that offer maximum uptime, increased utility and improved workflow.
3. Are committed to developing long-term, customer-focused solutions.

Management Slogan

Toshiba Medical Systems Corporation's
slogan "Made for Life" symbolizes the basic commitment of Toshiba Medical Systems Corporation.

Made for Life™

Made for Patients.
Made for You.
Made for Partnership

contents

Message from the President

As a corporate citizen of the communities in which we operate, Toshiba Medical Systems Corporation believes that earning the trust of society is essential for long-term, continued growth.

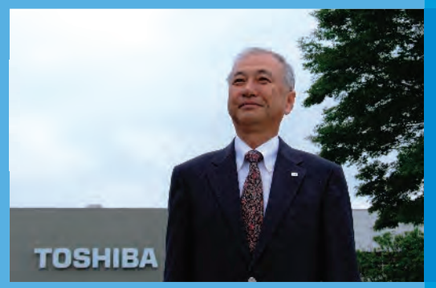
We globally operate in the medical care field, where the level of contribution to society is extremely high and business activities are directly linked to corporate social responsibility (CSR).
It is for exactly this reason that "Improving the quality of life", "Lifelong commitment to innovation", and "Achieving lifetime partnerships" are the principles of our basic commitment. In order to realize these, we established the management slogan "Made for Life", symbolizing our basic commitment, and chose "Implementation of CSR" as the key management policy to promote our business. Our standards of conduct are to give the utmost priority to life, safety, and compliance with the local laws and ordinances in all our business activities.

It is our firm belief that our business activities should demonstrate respect for social standards of each country and region in which we operate. We contribute to the local community by implementing honest, transparent management while respecting the different cultures, history, and customs of each country and region. Through appropriate disclosure of information and accountability, we are striving to actively communicate with all stakeholders, including medical professional, patients, local communities, shareholders, and employees.

At Toshiba Medical Systems Corporation, we constantly remind ourselves that we have a duty to ensure a healthy, even improved environment for the next generation. We support global environmental protection activities aimed at building a sustainable, recycling-oriented society. The medical systems that we provide must meet safety and environmental considerations, from development to production, sales, maintenance, repair, and disposal. We manage considering safety and the environment in all business processes, from the product planning and development stage to repair and disposal. We will continue to provide medical systems that are kind to the global environment.

Based on our management slogan “Made for Life”, as a global company we aim for all employees of Toshiba Medical Systems Corporation to practice CSR in their everyday activities. With these activities, we strive to be a business group that has earned the trust of society.

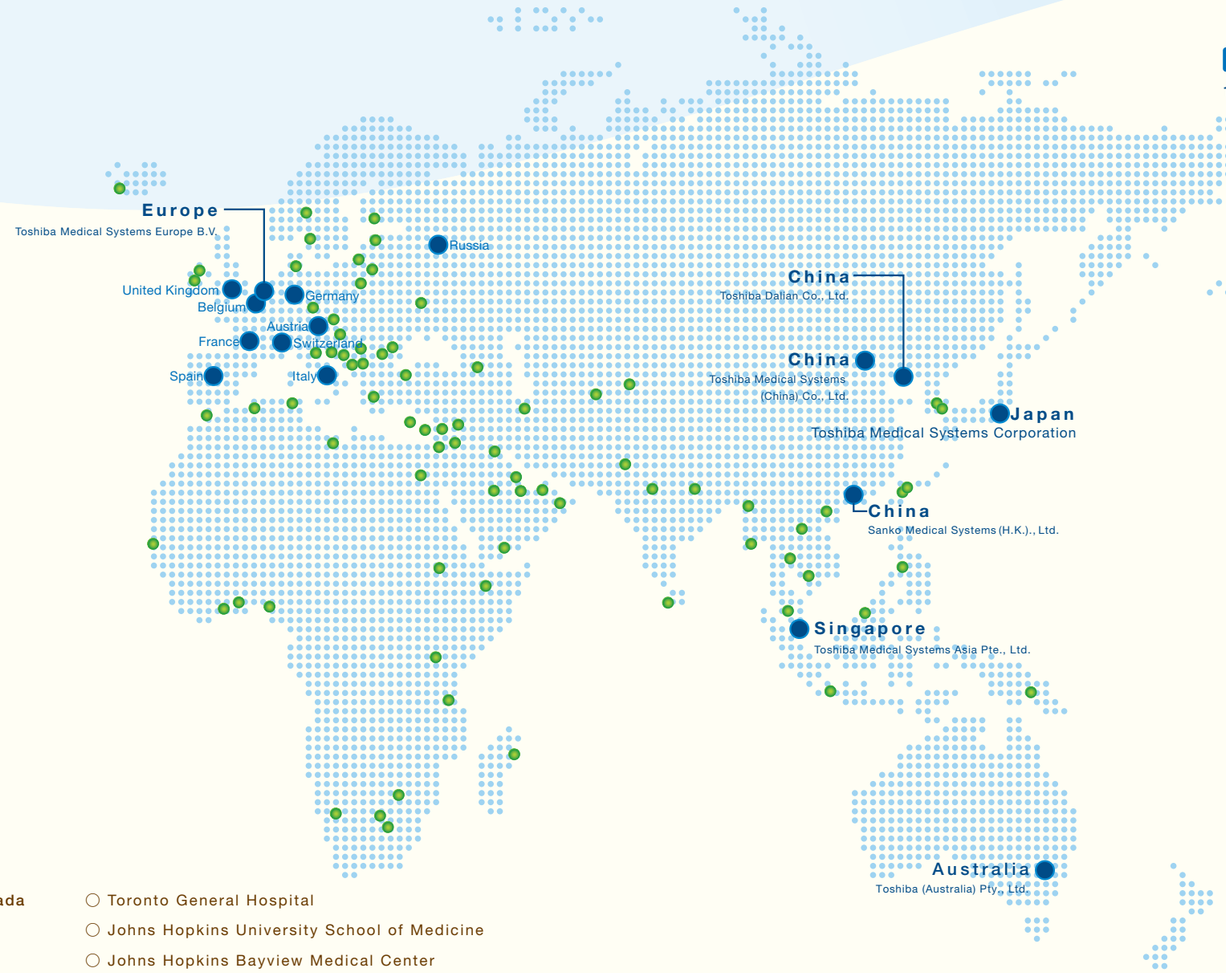
president and CEO
Masamichi Katsurada

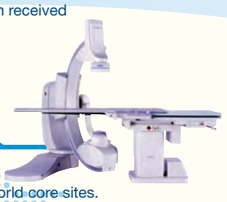


Global Business Expansion

Supported by our customers' trust, Toshiba Medical Systems Corporation is playing an active role at the forefront of world healthcare.

In a world of increasing globalization, our diagnostic imaging systems contribute by providing highly accurate diagnosis and treatment. Our systems are highly regarded across the world, especially in the medically-advanced United States.





Multislice CT systems

- ○ Aquilion™ 64-slice CT system received the "Best in KLAS"*1 award in 2006.
- ○ The first global multi-center joint clinical study using 64-slice CT systems, CORE 64, is currently under way.

MRI Systems

More than 2,800 systems shipped worldwide*3

- ○ Excelart Vantage™ 1.5T MRI system received the "Best in KLAS"1" award in 2006.

X-ray systems

- ○ The new multi-access C-arm is receibing great reputation among world core sites.

Ultrasound systems

180,000 systems shipped worldwide*2

Nuclear medicine systems

- ○ The latest PET/CT system is enjoying great popularity.

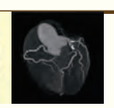
Our sales and service network extends over 120 countries worldwide.

● —— Overseas subsidiary: 20 companies

● —— Distributor: 80 companies

Canada	○ Toronto General Hospital
USA	○ Johns Hopkins University School of Medicine
	○ Johns Hopkins Bayview Medical Center
	○ Beth Israel Deaconess Medical Center, Harvard Medical School
Brazil	○ InCor Heart Institute of the School of Medicine Hospital
Netherlands	○ Leiden University Medical Center
Germany	○ Humboldt University, Campus Charité Mitte
Japan	○ Iwate Medical University
Singapore	○ Mount Elizabeth Hospital

Global Multi-center Study CORE 64



The "CORE 64 (Coronary Evaluation on 64)" multi-center study of cardiac CT examinations was set up in 2004 with nine leading medical institutions in seven countries worldwide. This is an international multi-center joint clinical study that will perform a comparative evaluation of conventional catheter-based coronary angiography and CT coronary angiography using Aquilion™ 64-slice systems.

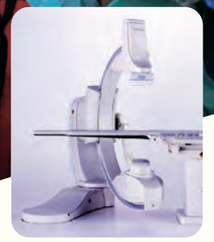
With the No. 1 share in the diagnostic imaging systems market in Japan, we are supporting systemization within hospitals and the construction of regional medical networks with our healthcare IT technologies.

From the proposal of medical equipment to the construction of healthcare IT systems, after-sales support, and maintenance, Toshiba Medical Systems Corporation consistently provides the support that its customers need.
With the aim of providing patient-centered health care, Toshiba Medical Systems is working not just on systemization within hospitals but also on the construction of regional medical networks, such as reciprocal exchange of medical information between hospitals and clinics.

*1. KLAS Enterprises:US research company specializing in monitoring and reporting the performance of healthcare vendors.
*2. As of December 2006

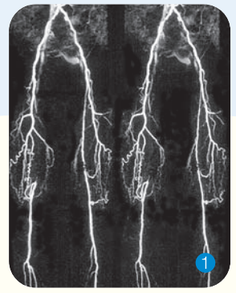
TOPICS: From world medical care sites

With the most advanced diagnostic imaging technologies, we are striving to solve difficult problems at medical care sites. Through collaboration with medical institutions across the world, our imaging technologies are increasingly used not only for diagnosis but also for treatment.



"Infinix™ CFi"

Working with Dr. John P. Cheatham, Columbus Children's Hospital, we have developed an X-ray cardiac angiography system equipped with a 5-axis C-arm which enables multi-dimensional movement and optimum positioning for imaging and treatment.
This system incorporates valuable expertise obtained through Dr. Cheatham's extensive clinical practice as an authority on PCI, and fully supports angiography.



❶ Varicose vein of the leg

Tortuous varix is clearly visible on the inner side of the right leg (left in the photograph).

❷ Arteriosclerosis obliterans (ASO)

As well as obstructed arterial regions, fine vessels for collateral circulation are clearly visible.

Joint development of a new 5-axis C-arm with outstanding performance

NIKKEI NET website ➔ To view the full text of the article, visit the website http://www.nikkei.co.jp/ps/itcase/

The American Heart Association estimates that more than 35,000 American infants are born each year with congenital heart disease, the most common cause of death during the first year of life. As one of the nation's top medical institutions dedicated to the treatment of congenital diseases among children, The Heart Center at Columbus Children's Hospital developed the most advanced therapeutic approach to the treatment of congenital heart disease, referred to as the "hybrid approach"[*1].

"International Endeavor to Save Young Lives"

With Toshiba Medical Systems, The Heart Center at Columbus Children's Hospital co-designed two Hybrid Cardiac Catheterization Suites that enable interventional cardiology and surgical teams to work together to deliver the best possible care. The "Infinix™CFi/BP" system proposed by the Toshiba engineers was praised by Dr. John P. Cheatham as a perfect solution.

According to Dr. Mark Galantowicz, Co-Director of the Heart Center, "We have placed high confidence in Toshiba Medical Systems and its willingness to invest time, resources and engineering skills toward developing new equipment. Toshiba invested in pediatric patient care to complement the company's mission of improving the quality of life, which is symbolized by its management slogan "Made for Life". We believe that the company's attitude is demonstrated by its engineers, who are willing to overcome any challenges and strive for a system that provides the best possible treatment environment for pediatric patients. This level of commitment solidified our relationship with Toshiba."

Dr. John P. Cheatham
The Heart Center at Columbus Children's Hospital

➔ Website
http://www.columbuschildrens.org/

"Hybrid procedure successfully performed on patients weighing as little as 1.4 kg"

Hypoplastic Left Heart Syndrome (HLHS)[*2] is a congenital heart disease that requires a series of three surgical operations to be corrected. Since the initial surgery is extremely complex and inherently high-risk, performing the surgery was very difficult under the conventional treatment approach. However, the hybrid approach creates reliable, unobstructed blood flow within the body, eliminating the need for cardiopulmonary bypass and decreasing risk to the newborn child, regardless of size. The Heart Center has successfully performed the hybrid procedure on patients weighing as little as 1.4 kilograms. Concerning the usefulness of the hybrid approach, Dr. Cheatham notes that the Heart Center has performed more than 100 such procedures and realized significant cost-efficiencies. Due to the hybrid approach, at the Heart Center, HLHS can be regarded as a much less significant threat than it once was. He feels that by utilizing innovative ideas and technologies in the development of diagnostic/therapeutic equipment, organizations like Toshiba have contributed to the development of the hybrid approach. Prolonged hospitalization and costly treatments may be a thing of the past, as the Center is better equipped than ever to manage congenital heart disease among children.

Based on these successes, Dr. Cheatham has organized The International Symposium on the Hybrid Approach to Congenital Heart Disease (ISHAC) to promote this innovative new treatment program and enhance the quality of life for children around the world.

*1. Hybrid approach: leading-edge technique in which catheter-based and surgical therapies are combined in a single treatment procedure.

*2. Hypoplastic Left Heart Syndrome (HLHS): a condition in which the left side of the heart is underdeveloped, with only one pumping chamber instead of two.
(This case study is much longer than the first and seems out of balance.)

Non-contrast-enhanced angiography developed in Japan is attracting great interest overseas

Kyodo News website "Medical News" ➔ To view the full text of the urticle(Japanese only),visit the website http://kk.kyodo.co.jp/ryo/news/0425kekkan.html

In recent years, due both to adoption of less healthy dietary habits and an aging population, diabetes, hypertension, and hyperlipidemia have been increasing in Japan. Consequently, the number of patients with cardiovascular/cerebrovascular disorders and arteriosclerotic diseases is growing steadily. Research started in 1997 to improve the efficiency of medical care sites is now receiving significant attention.

"Multi-center joint development of more efficient, patient-friendly examination technique"

For treatment of varicose veins and deep-vein thrombosis which may cause pulmonary thromboembolism, is called as "economy-class symdrome", it is very important to quickly identify the location and severity of the lesion. However, conventional X-ray-based angiography requires contrast media to depict vessels, and therefore cannot be used for patients with renal disorders. In addition, there are other problems, such as patient exposure, and side-effects caused by contrast media. Ultrasound imaging is also available, but vein examination is very difficult and requires considerable skill.

Corresponding to demand from physicians for a "patient-friendly, more efficient examination technique", Toshiba, together with several hospitals, began the development of a new MRI-based examination technique in 1977. The new technique eliminates patient exposure and the necessity of contrast media, preventing harm to the patient. It also successfully differentiates arteries and veins in images with higher resolution.

This MRI-based technique, called FBI (Fresh Blood Imaging)[*1], was developed over a period of years and Toshiba introduced an MRI system with FBI functions in 2000. At first, FBI could detect only thick vessels where blood flow was fast, but can now fully detect peripheral blood vessels. FBI can now also be applied to regions where vessels are running in various directions.

Dr. Katsumi Nakamura
Radiology Department,
Kyoaikai Tobata Kyoritsu Hospital, Japan
ISMRM 1st Place Poster award winner

Dr. Nakamura's presentation at the ISMRM (International Society for Magnetic Resonance in Medicine), which was held in Seattle, USA in May 2006, received the authoritative Cardiovascular 1st Place Poster award.

"FBI is less invasive and safer for the patient."

With conventional angiography, it is very difficult to image varicose veins, because blood flow in the lesion is slow and the contrast media does not flow through the lesion as intended. However, even varicose veins can be easily visualized by using FBI.

The Radiology Department of Tobata Kyoritsu Hospital performed CT angiography (with 16-slice systems) and FBI on 13 arteriosclerosis obliterans patients and compared the results. They reported that there was no significant difference between these techniques in terms of sensitivity and predictive values. " Contrast media usually causes minor side-effects, but in some patients may cause side-effects as severe as shock. I would choose an invasive procedure such as angiography if it is really necessary, but if other non-invasive options are available, I prefer not to use it due to patient safety concerns," says Dr. Nakamura of Tobata Kyoritsu Hospital. Additionally, while conventional angiography depicts vessels equally, regardless of blood flow, FBI allows physicians to determine if sufficient blood flow is present in each vessel. Regarding this benefit, Dr. Nakamura says, "With FBI, in addition to studying stenosis geometry, we can fully evaluate vessel function."

Today, FBI is the first choice in Tobata Kyoritsu Hospital for studying vascular diseases of the lower extremities. "FBI is suitable for monitoring response to treatment, because it can be repeated many times without hesitation. I think FBI is especially useful for screening. I hope that this technique will become widely used in the near future," says Dr. Nakamura.

Dr. Nakamura presented the results of a comparative study of 16-slice CT angiography and FBI on leg vessels, concluding that FBI can provide similar imaging capability to 16-slice CT angiography without using contrast media.[*2].

*1. FBI [Fresh Blood Imaging]: Toshiba's unique non-contrast-enhanced angiography technique
*2. Awarded the ISMRM 1st Place Poster award.

Social Report

Social Report

Social Report — CSR management

Through our endeavors to develop medical care, Toshiba Medical Systems Corporation is an enterprise that aims to serve people and society.

Under our management slogan, "Made for Life", we are expanding our social activities to prove our honest and transparent management through our basic CSR policies.

Aiming to be an enterprise that serves people and society through medical care

Toshiba Medical Systems Corporation aims to contribute to society by providing products and services that satisfy our customers through the basic focus of our business, "the provision of medical systems". Focused on building trust, TMSC values ongoing communication with all stakeholders.

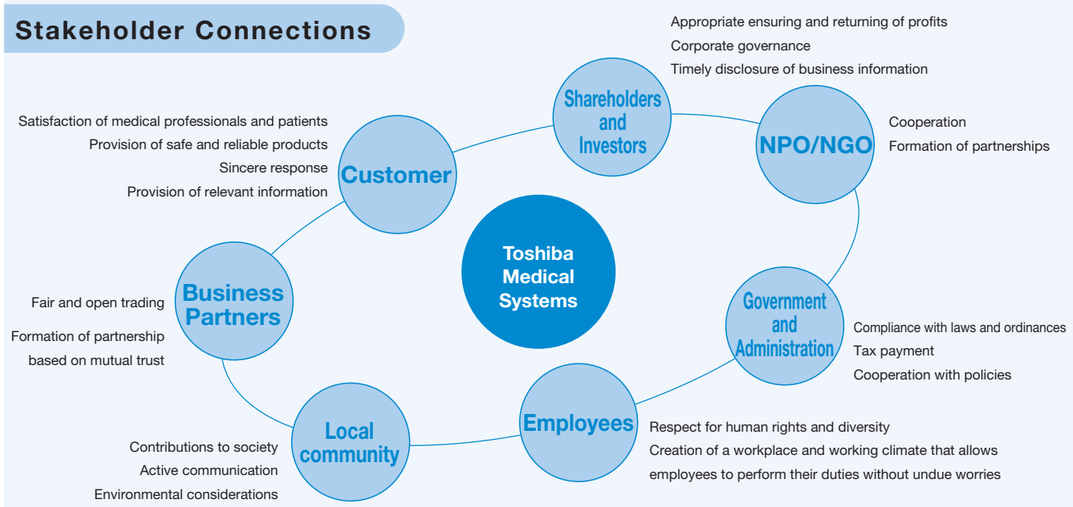
Basic Policies Concerning the CSR Activities of Toshiba Medical Systems

1 Contribute positively as a member of society with a respect for life.

2 Practice honest, transparent management, giving the utmost priority to life, safety, and compliance with laws and ordinances, and aim to be an Earth-conscious enterprise.

3 Build relationships based on trust, enhanced through communication with all stakeholders, including customers, employees, shareholders, and the local community.

Stakeholder Connections



Updating standards of conduct and raising awareness among employees

To comply with new laws, including the Act on the Protection of Personal Information, Revised Unfair Competition Prevention Law, and Revised Antitrust Law, we revised the "Toshiba Medical Systems Corporation Standards of Conduct" in August 2006. We have made sure that all employees understand the revised "Group Standards of Conduct" as a model for conduct among group

Strengthening security measures to protect company and personal information

We have been striving to protect the personal information of medical professionals and patients in accordance with the Toshiba Medical Systems Privacy Policy. In June 2006, we established an information security system to strengthen the security of company information, including technical and sales information, and personal information. We provided training concerning individual laws for all employees, and prepared company rules.

Providing compliance training to all employees

In order to cultivate compliance awareness, we provide level-specific training for new and management-level employees, and also provide compliance training concerning individual laws. As for the Group Standards of Conduct, in fiscal 2006 we provided training for all employees using an e-Learning system.

Establishing an internal reporting system to improve the company environment

In August 2004, we opened an internal reporting system, "Risk Hotline". The system enables employees to report important risk information directly to the Risk Management Department to prevent compliance deviations. In April 2005, we also established a contact link with external attorneys. By providing both internal and external contact links, we improve convenience for reporters and enhance system reliability and transparency.

Enhancing the promotion of compliance, for honest and transparent management

We established a risk compliance system and have been striving to achieve complete implementation of Group Standards of Conduct and to promote risk management policies. The role of the CRO is to decide on these policies in the Risk Compliance Committee and implement them. In April 2007, we added a Technology/Production Compliance Committee and Sales Compliance Committee to further strengthen the compliance promotion system. In addition, in October 2006 we created an organization for establishing a control system concerning financial reporting for compliance with J-SOX (the Financial Instruments and Exchange Law).

Compliance promotion structure (as of April 1, 2007)

*1. CRO: Chief Risk-Compliance Management Officer

*2. CPL: Contractual Liability and Product Liability

Objectives and Plans for fiscal 2007 — As the former Social and Environmental Report is published as a CSR Report from this fiscal year, the activity objectives and plans for fiscal 2007 are included. We will work on the CSR activities based on these objectives and plans.

CSR risk management		Cultivation of CSR awareness in all employees of group companies
Compliance and risk management		Reinforcement and improvement of the risk compliance system Cultivation of risk compliance awareness Policy implementation in group companies and reinforcement of cooperation in CSR activities
Social reporting	Relationship with customers (medical professionals and patients)	Evaluation of customer satisfaction through periodic survey Customer support enhancement Promotion of universal design
	Relationship with local community	Expansion of community service activities
	Relationship with employees	Creation of diversity of organizations Promotion of good work-life balance Enhancement of moral sense of employees Acquisition of certification for OHSAS18001 (Occupational Health and Safety Management System)
Environmental reporting	Development and provision of environmentally friendly products	Reduction of specified chemical substances Creation of environmentally friendly products
	Reduction of the environmental impact of our business processes	Prevention of global warming (energy conservation) Effective use of resources (reduction of waste)
Communication	Information disclosure and communication	Publication of CSR Report Promotion of communication with stakeholders

Social Report — Relationship with customers①

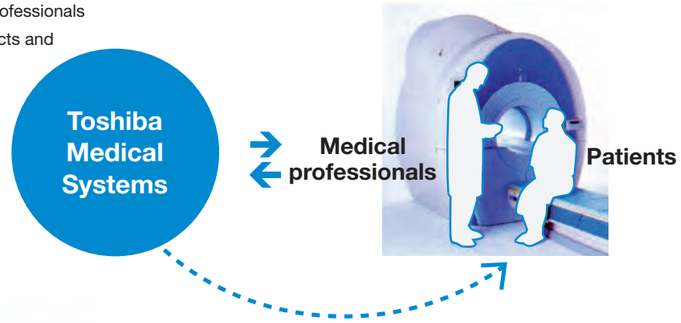
Sense of assurance for patients. User-friendly for the operators.

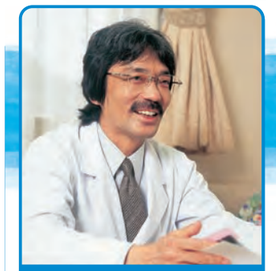
We commit ourselves to providing user-friendly products and services.

With "development of technologies that truly benefit medical care" as our basic principle,
Toshiba Medical Systems Corporation aims to provide "people-friendly, patient-centered medical care"
and commit to providing products, systems, and services that satisfy both medical professionals and patients.

Reflecting the voice of medical professionals and patients in the development of people-friendly products

To meet diverse medical care requirements, we make active use not only of the data but also of the wishes of medical professionals and patients when developing and improving our products and services.
For example, as well as maintaining our equipment and systems our customer engineers contribute to the realization of high-quality, high-performance products by providing our manufacturing departments with feedback from healthcare professionals and patients.





TOPICS
Customer interview

"Introduction of the latest systems allows patients to visit the hospital easily."

Takeda Hospital Group
Administrative director Takahisa Takeda
In addition to its 10 hospitals in Kyoto, Takeda Hospital Group provides total healthcare services for medical care and welfare.

We try to introduce the latest systems because we want to provide high-quality medical services equally to all patients. I think Toshiba's multislice CT scanners are world-leading. For example, 64-slice CT can be used to scan the heart, and this is of great benefit to the patients. As they no longer have to worry about painful catheterization, they are willing to be examined. Of course, it goes without saying that 64-slice CT also improves examination throughput and image quality.
Takeda Hospital Group networks 10 hospitals, and we commission system construction from Toshiba. Toshiba also develops servers and hospital management systems, and we can leave all this to Toshiba without having to worry.

Promoting universal design over an extensive range of business fields

We are tackling universal design over an extensive range of business fields, aiming to improve comfort both for operators (physicians and technologists) and patients.
For example, the large-bore multislice CT scanner has succeeded in removing the usual sense of pressure and unease at being confined in a narrow space. It also expands the scanning range and reduces measurement times. For the operators, this design improves both accessibility to the patients, and operability.


Large-bore multislice CT scanner Aquilion™ LB

Holding co-sponsored exhibitions and seminars with academic societies in various regions in order to promote understanding of advanced medical care

Diagnostic imaging and treatment systems are essential technologies in present-day medical care, and rapid progress is being achieved day after day. Through co-sponsorship with domestic and international medical societies, Toshiba Medical Systems is endeavoring to spread knowledge and correct usage of advanced medical care equipment technologies by hosting various seminars, independent medical care seminars, and practical training seminars by specialists. We are also participating in many technology exhibitions with societies such as JRC (Japan Radiology Congress), RSNA (Radiological Society of North America), and ECR (European Congress of Radiology) to actively promote the provision of information concerning our equipment and systems.

RSNA exhibition

JRC exhibition

Supporting Japan's first seminar in obstetrics and gynecology in which expecting parents and medical professionals can communicate face-to-face

In the field of obstetrics and gynecology, the recent advances in diagnostic ultrasound systems have enabled a wealth of fetal information to be obtained. This increases the importance of diagnosis based on informed consent (providing clear explanation and obtaining the patient's permission in medical practice). The expectation is that diagnostic information will be explained correctly to those who receive medical care (expecting parents) and that medical care will be selected based on full understanding.
Against this background, we are supporting Japan's first seminar in obstetrics and gynecology, which, with the aim of deepening mutual understanding, creates opportunities for providers and recipients of medical care to sit at the same table. We are inviting leading obstetrics and gynecology physicians specializing in ultrasound diagnosis to participate in the seminar.

"The Best Image", for contributing to the advancement of technology and improving its practical value

In order to popularize and raise awareness of excellent imaging technologies and state-of-the-art clinical application technologies, we have been presenting awards for "The Best Image", in recognition of excellent images in the field of diagnostic imaging. The awards began in 1993, and are now in their 14th year. With the increase in the number of applicants over the years, the award has grown in importance. "The Best Image" is selected on the basis of comprehensive clinical value, taking account of image quality in diagnosis and treatment, skills in imaging and image processing, and consideration toward the patients. "The Best Image" award is now highly valued for enabling expertise to be shared, popularizing advanced imaging technologies, and contributing to the advancement of imaging technologies that are truly beneficial to the patients.

TOPICS

***Medical Review*, "The Best Image 2006", special edition**
(cited from Vol. 31, No. 1, 2007)

General comments of judges (p. 2 to p. 5)

I hope that "The Best Image" award will long continue to benefit patients and those who undergo medical checkups.
Dr. Yasunori Mizuguchi Clinical Laboratory Division, Central Hospital, National Cancer Center

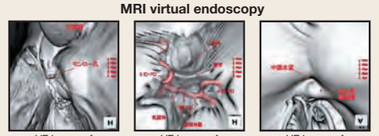
The techniques devised for "The Best Image" have been helpful in MR examinations all over Japan. We must continue our efforts to advance techniques that will be beneficial to patients.
Professor Kazuhiro Katada Department of Radiology, School of Medicine, Fujita Health University

Preoperative CT examination for reconstructive mammoplasty (p. 22)

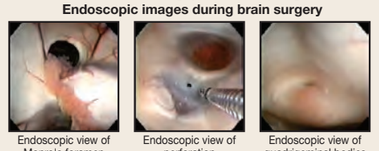
CT is also useful in reconstructive mammoplasty for women who have had surgery for breast cancer. A new reconstructive mammoplasty technique has been developed in which subcutaneous fat on the abdominal wall is transplanted together with blood vessels. By confirming small vessels in the panniculus adiposus before surgery using multislice CT, surgery can be performed more safely and reliably.

Supporting brain surgery with virtual 3D images (p. 35)

MRI virtual endoscopy


VE image of Monro's foramen | VE image of surgery site | VE image of quadrigeminal bodies

Endoscopic images during brain surgery


Endoscopic view of Monro's foramen | Endoscopic view of perforation | Endoscopic view of quadrigeminal bodies

The complicated intracerebral structure is simulated in 3D images in MRI examination before surgery to determine which operative procedure to employ. Virtual images that represent actual endoscopic views are created to support operators.

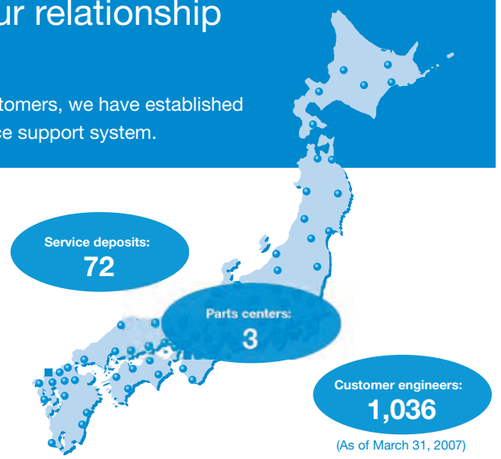
Social Report — Communication with our Customers②

Fulfilling customers' expectations, providing satisfaction, and placing great importance on our relationship with all customers.

In order to provide a comfortable work environment for all our customers, we have established an extensive service network and a rapid and detailed maintenance support system.

One of the largest service networks in Japan, covering the entire nation.

We aim to be a community-based company by providing an extensive service network covering all of Japan, from Kitami, Hokkaido in the north to Naha, Okinawa in the south. In addition to covering urban areas, our service network extends to hospitals on remote islands where public transportation is limited. For example, through our remote maintenance system, we detected and successfully repaired a problem with a CT scanner installed in the Ogasawara islands, 1000 km south of mainland Japan. Our remote maintenance system is highly appreciated for its usefulness in isolated areas.



(As of March 31, 2007)

1 Ogasawara Village, Tokyo. Clinics are located on the islands of Chichijima and Hahajima. Our remote maintenance system plays an important role in isolated areas. If a problem cannot be corrected through telephone communication, service personnel are dispatched by ferry on a scheduled sailing day.
2 Radiologists coming to see us off
The radiologist couple who work at the Chichijima and Hahajima clinics showed us around the islands after service work had been completed.
3 Support center
Equipment in isolated areas can be appropriately maintained through the remote maintenance system, which detects abnormalities before a problem occurs.

An "Aquilion64 Call Center" was established to shorten repair time.

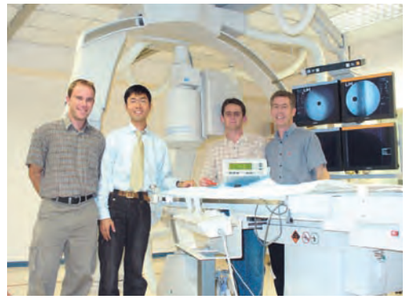
In order to directly communicate with customers reporting any failure regarding the Aquilion64 system, we established an "Aquilion64 Call Center" within the Customer Engineer Center. We have significantly shortened repair time by supporting system restoration over the telephone, utilizing the remote maintenance system and knowledge database for rapid failure analysis, and arranging the delivery of necessary service parts and the dispatch of customer engineers at the same time.

Outstanding restoration support system ensures quick resumption of operations in the event of a disaster.

In preparation for large-scale disasters such as earthquakes and typhoons, we established "Standards of Conduct in the Event of Large-Scale Disasters", aimed at establishing an emergency backup system by customer engineers. When the Niigata-ken Chuetsu Earthquake occurred in 2005, we established emergency headquarters immediately after the earthquake, and supported quick restoration of our systems. After the Great Hanshin-Awaji Earthquake in 1995, Toshiba's specially organized rescue team visited each hospital, making every effort to ensure safety and restore equipment. Such efforts were greatly appreciated by customers who had been affected by these disasters.

Crossing borders in our maintenance activities around the world.

Our medical systems are used by customers in over 120 countries. Although it is necessary for local staff to provide maintenance so that the system remains in optimum condition, in some cases Japanese customer engineers are dispatched overseas for maintenance support. In various parts of the world, including South America, the Middle East, Africa, Asia, and Australia, Toshiba staff are working across national and environmental boundaries.



With local staff during a service tour in South Africa

Many overseas employees come to Japan for training.

To educate and train local customer engineers and application specialists from overseas, we established a training center at Nasu Headquarters. Every year, many staff from around the world visit the center for training in the latest service techniques and application software.
We also offer a course for technicians from overseas medical institutions to learn about our latest models. The program covers everything from basic operation to complicated protocols for a variety of examination requests, offering extensive knowledge and skills.

Employees of overseas subsidiaries participating in CT application specialist training at the training center

Listening to customer feedback every day to improve our products and services.

To ensure customer satisfaction, we perform customer surveys after the introduction of our products. Through this system, we obtain opinions from all customers, even those who would not make complaints directly to our representatives. All these opinions accumulate in the database, which is open to all employees. As well as resolving the complaints of the specific customer, we share these opinions so that the related departments, including development, manufacturing, sales, and service, can work together as necessary to further improve our products and services.

Sachiko Isono
MRI application specialist,
Tokyo Metropolitan Regional Office

TOPICS
Interview with an employee

"I was more than happy when a scan method I proposed met the customer's requests."

While teaching basic operation to customers is important work, it is even more important to meet customers' requests. In order to fulfill their requests, I consult with senior staff in my office and staff in the development department, hold a study session with application specialists for other modalities, and attend academic meetings to get the latest information. Our relationship with a hospital continues until our equipment introduced in the hospital is no longer in operation.
At the new-product workshop held at Nasu Headquarters every three months, I actively report the requests and challenges from customers to the staff of the development department. I think that reporting the voices of customers and patients is one of our major tasks, as the information is reflected in customer support services and development of new models.

TOPICS

"No. 1 in customer satisfaction in the United States"

The Aquilion™ 64-slice CT and EXCELART Vantage™ 1.5T MRI systems received top honors in the Medical Equipment Leaders category with two 2006 Best in KLAS awards: one in CT and one in MR. Presented by KLAS Enterprises, LLC*, the awards recognize leadership in working with customers to achieve high satisfaction and performance. In a survey conducted by American survey company MD Buyline, Toshiba's CT and MR systems have been ranked as No. 1 in customer satisfaction in the United States.

*KLAS Enterprises, LLC is an American survey company established in 1996 which specializes in monitoring and reporting the performance of healthcare vendors and products.

Social Report — Communication with Local Communities

What we can do for patients and communities through medical business

In addition to our medical care activities, we are involved in a variety of volunteer activities for local communities, both in Japan and abroad.

Promoting the importance of early detection and treatment of breast cancer through the Pink Ribbon Campaign and other activities.

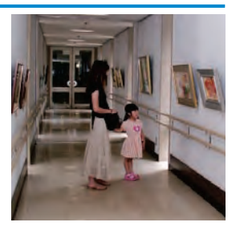
It is thought that about 90% of breast cancers can be cured if detected and treated early. However, only 5% of women undergo mammography screening in Japan. This compares to about 70% in America. The adoption of mammography equipment that is effective in the early detection of breast cancer, and participation in promotional activities, are now considered an important national policy, and both are becoming more widespread in Japan. Toshiba Medical Systems has taken part in one such activity, the “Pink Ribbon Campaign”, every year since 2003. In order to contribute to the promotion of breast cancer screening, we will continue to be involved in a variety of activities, heightening awareness of the importance of breast cancer screening.

Mammography equipment and diagnostic ultrasound systems used for breast cancer screening were exhibited at the Pink Ribbon Festival in October to highlight the importance of screening.

As a unique activity of Toshiba group, "Pink Ribbon Mineral Water" was sold by a Toshiba group company at all Toshiba offices in Japan. Part of the profits were donated to the Japan Fund for Breast Cancer of the Japan Cancer Society.

Providing comfort to patients with an annual exhibition of paintings in a hospital.

At a hospital in Chiba, Japan, the corridor leading to the hospice provides a de-stressing space for patients and their families, where paintings and other works are exhibited every year. Toshiba Medical Systems has participated in this activity since 1993, displaying works by its employees during the month of July.



Conducting tree-planting activities both in Japan and abroad as a member of Toshiba group.

We have been conducting tree-planting activities for several years. Our employees and their families took part in tree-planting activities at the site of a demolished mine in Ashio, Tochigi Prefecture, Japan, and at a large site in China.

Participating in a variety of volunteer activities abroad.

After the Central Java Earthquake, we sent relief to customers affected by the disaster, and visited them to support reconstruction efforts.

Four of our customer hospitals were affected by the Central Java Earthquake on May 27, 2006. After the disaster, we sent relief to them and visited each of the hospitals to support reconstruction efforts. We also raised money from Group employees and donated it to the Japanese Red Cross Society through Toshiba Group Union.

General Hospital, the largest hospital in Yogyakarta, Indonesia

Overseas Group companies are also raising funds and making donations

Toshiba America Medical Systems started fund-raising activities for underprivileged people in the local community twenty years ago. It has been continuously holding a charity auction since then. The money raised by the auction last year exceeded $14,000. More than $150,000 have been raised over the last two decades and used to support 1,053 children in 450 families.

At the 2nd Toshiba Group CSR Meeting held in December 2006, Toshiba America Medical Systems received the Social Contribution award for its activities contributing to local society.

Social Report — Communication with Employees

As a trusted company, the most important thing is to provide a comfortable working environment for all employees.

We believe it is our duty to respect all employees, value their diversity, and provide a safe and comfortable working environment.

Promoting respect for human rights through educational activities.

Our basic policies include respecting basic human rights, eliminating discriminatory treatment, and observing laws and regulations. In the "Standards of Conduct of Toshiba Medical Systems Group", 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, and sexual orientation, as well as behavior detrimental to human rights, such as violence, sexual harassment and power harassment, should be eliminated. Through educational activities, we are promoting awareness of respect for human rights.

With a respect for diversity among employees, we are building a new workplace which creates new values.

Achieving a work-life balance

To actively support the balance between work and family, we are expanding our working systems to meet the varying needs of employees. In fiscal 2006, we reviewed our reduced working hours system. As a member of Toshiba group, we will strive to improve our working systems.

Encouraging employment of disabled people

(I wouldn't provide actual numbers here. We may be reaching requirements, but that would not be viewed as worthy of recognition by US readers. Just talk about commitment to employment of the disabled.) As of April 1, 2007, our employment level reached 1.95%, achieving the legal employment rate for disabled people. Toshiba Medical Systems group will continue in its commitment to employ people with disabilities and to further expand the areas in which disabled people are active.

Number of regular employees and managers

		Male	Female	Total
Regular employees		2,788	326	3,114
	Manager	718	5	723
	Others	2,070	321	2,391

* Toshiba Medical Systems Corporation only (as of March 31, 2007)

Outline of working systems and the number of participants

Name	Content	Participants in 2005	Participants in 2006
Child-care leave system	Applicable period: until the child is 3 years old, regardless of the working status of the spouse	Male: 1 Female: 8	Male: 0 Female: 7
Family-care leave system	Applicable period: up to 365 days per family member in need of nursing care	Male: 1 Female: 0	Male: 0 Female: 0
Reduced working hours system	Applicable period: until the child is in the 3rd grade (for child care); up to three years per family member in need of nursing care (for family care)	Male: 0 Female: 5	Male: 0 Female: 8

* Toshiba Medical Systems Corporation only

Striving to improve the working environment by listening to the voices of all employees.

We are conducting the "Employee Survey" to gather opinions from our employees. The survey results for each workplace are available to all employees in the workplace, and are used to improve communication in the workplace and formulate measures to energize the organization.

Providing training systems to fully utilize and foster human resources.

We are making efforts to improve the abilities of each employee by evaluating aptitude, placing the right people in the right jobs, and assessing business results fairly and impartially through communication between supervisors and subordinates. In addition, we provide a great variety of training systems and self-development fund systems that meet the needs of the individual, not just those of the company. With these systems, we aim to nurture strong individuals who are motivated and proactive.

Endeavoring to build a healthy, stable labor-management relationship.

Toshiba Medical Systems has a stable relationship with Toshiba Medical Systems Union, an employee organization. At the Central Labor-Management Council held semiannually, as well as holding negotiations on the working conditions of employees, we discuss a variety of topics, including management policies.

Making efforts to further improve occupational safety and health.

Occupational safety and health is one of our key management issues. Under our basic policies for occupational safety and health, we are continuously involved in activities to promote further improvement in this area. To this end, we are also seeking to obtain OHSAS18001 certification, which specifies the requirements for occupational safety and health management systems.

Environmental Report

Environmental Considerations for Products/Procurement

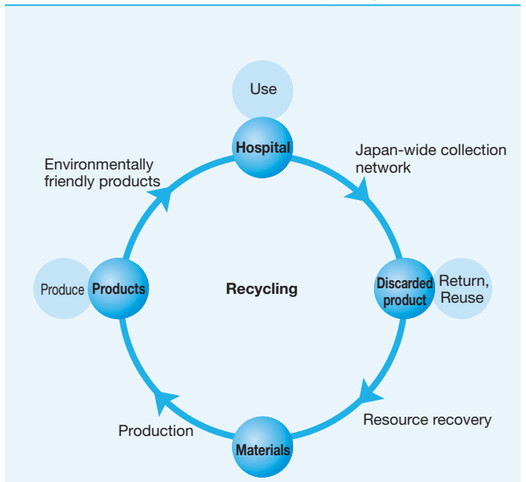
We are endeavoring to produce Earth-friendly, patient-friendly medical systems

Based on the management slogan "Made for Life",
we are promoting activities to protect global and regional environments as part of our CSR efforts.

Expanding resource recovery by creating a cycle of "making, using, returning, and reusing".

The Toshiba Group's environmental management vision treats the entire process as one cycle, from the stage of "making" an item to the "reusing, returning" stage, when it once again becomes a resource. This cycle is considered in all the Group's businesses and products. Since 1992, we have established 12 recycling locations across Japan. Toshiba Medical Systems reuses and recycles old medical systems collected from hospitals, and promotes the expansion of resource recovery and construction of a recycling-oriented society.

Outline of Product Recycling



Reducing the use of certain hazardous substances to meet strict overseas regulations.

Toshiba Medical Systems is working to reduce its environmental impact based on the Toshiba Group's Voluntary Environmental Plan*1, which establishes independent environmental standards for each product in order to encourage the development of environmentally friendly products. We are especially focusing on reducing and avoiding the use of the following hazardous substances regulated by the European RoHS*2 Directive.

Hazardous substances to be checked

Rank A

Substances whose procurement is prohibited (15 substances)

Asbestos/ Some azo dyes and azo pigments (forming specific amines)/ Cadmium, cadmium compounds/ Hexavalent chromium, hexavalent chromium compounds/ Lead, lead compounds/ Mercury, mercury compounds/ Ozone-depleting substances (CFCs, HCFCs, HBFCs, carbon tetrachloride, etc.)/ Polybrominated biphenyls (PBBs)/ Polybrominated diphenyl ethers (PBDEs)/ Polychlorinated biphenyls (PCBs)/ Polychlorinated naphthalenes (3 or more chlorine atoms)/ Radioactive material/ Some short-chain chlorinated paraffins/ Tributyltin (TBT), triphenyltin (TPT)/ Tributyltin oxide (TBTO)

Rank B

Substances to be reduced (9 substances)

Antimony, antimony compounds/ Arsenic, arsenic compounds/ Beryllium, beryllium compounds/ Bismuth, bismuth compounds/ Brominated flame retardants [excluding PBB (A08) and PBDE (A09)] / Nickel (external use only)/ Some phthalates/ Selenium, selenium compounds/ Polyvinyl chloride (PVC)

*1 For details regarding the Voluntary Environmental Plan, please refer to page 19.
*2 RoHS: Restriction of the use of certain Hazardous Substances in Electrical and Electronic Equipment

Developing products that are both Earth-friendly and patient-friendly.

With the aim of further improving consideration for the environment in our medical systems, as well as achieving a recycling-oriented society and contributing to local communities, we have been developing energy-saving and resource-saving products from the standpoint of medical personnel and patients. Specific targets have been set for this since fiscal 2006. In many of our medical systems, including MRI, X-ray, CT, ultrasound, and sample-testing systems, we have reduced the impact on the environment and improved performance. We are further trying to improve our own eco-efficiency index, Factor T*.

64-row multislice CT systems

- Power consumption 50% cut
- Resources 50% cut
- Exposure dose 12% cut

(Results compared with Year 2000 models)

Digital X-ray TV systems

- Power consumption 20% cut
- Resources 10% cut

(Results compared with Year 1999 models)

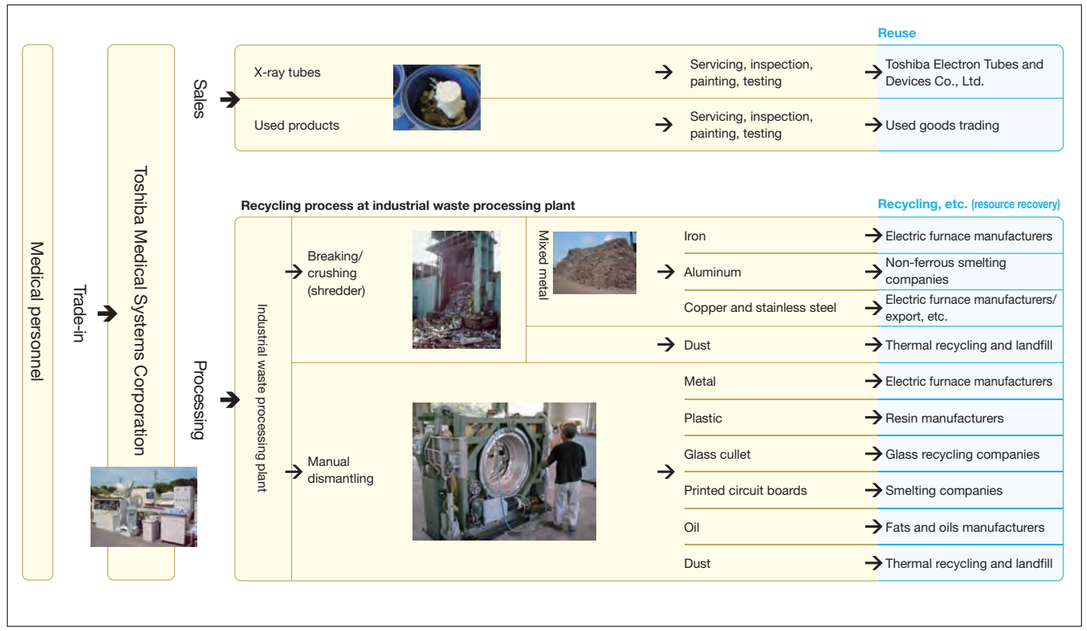
Ultrasound systems

- Power consumption 30% cut
- Resources 40% cut

(Results compared with Year 2001 models)

* For details regarding Factor T, please refer to the following website. → http://www.toshiba.co.jp/env/en/products/ecp/factor.htm

Examples of recycling used products



TOPICS

"Toshiba is Earth-friendly and people-friendly"

Aiming for eco-friendly products incorporating advanced technologies. We reported our environmental efforts to customers through newspaper advertisements published on October 26, 2006.

Efforts to preserve the environment/ Environment protection activities for water, atmosphere, and energy

What we can do to leave this beautiful water and atmosphere to the Earth of the future

With a strong belief that continuing small efforts will contribute to preservation of the global environment, each employee is involved in environmental protection through their daily activities.

We actively promote environmental activities toward the construction of a sustainable society.

A green belt extends across the region surrounding Nasu Operations, and the Class-A Houki River flows nearby. In light of owning a development/ production base surrounded by such a wealth of nature, Toshiba Medical Systems Nasu Operations formed a Pollution Control Agreement with the cities of Otawara and Yaita in 1979, when the plant first began operating. We have also established independent control values that are stricter than those in the laws and regulations, and we practice extensive self-management of the water and atmosphere. Our environmental measurements for fiscal 2006 met all independent control values.

Vice President, Chief Production Executive **Yoshio Taniguchi**

Toshiba Nasu Headquarters is located on a large site surrounded by a wealth of nature in Otawara, Tochigi Prefecture.

For details regarding our environmental policies, please refer to the following website. http://www.toshiba-medical.co.jp/tmd/company/csr/line.html

Progress of our Environmental Protection Activities Chronological Summary

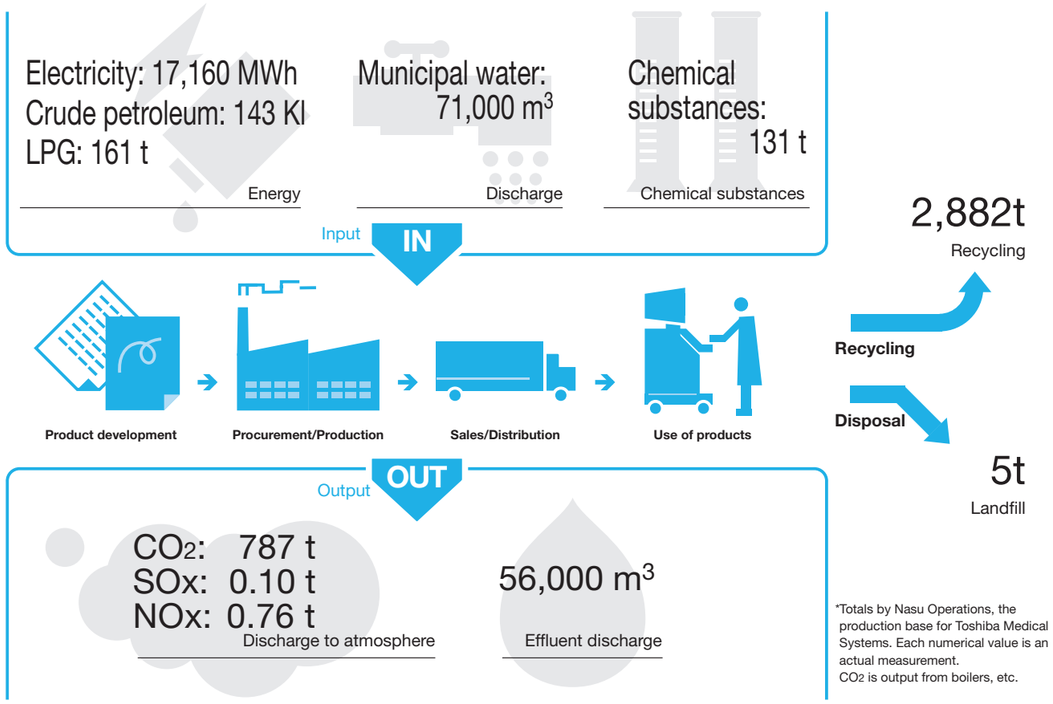
Year	Activity	Year	Activity
1975	Formed Pollution Control agreements with Otawara and Yaita	2003	Received commendation for excellence in energy management in factories (Agency for Natural Resources and Energy Director General's Award)
1989	Inaugurated the Environmental Protection Group based on Toshiba's policies		Received Tochigi Prefecture Pollution Prevention Excellence in Industry Award (Governor's Award)
1990	Toshiba initiates internal environmental audits. The first audit takes place at Nasu Operations.		The separation of Toshiba Medical Systems Corporation and Toshiba Electron Tubes and Devices Co., Ltd. is accompanied by renewed conclusion of the Pollution Control Agreement.
1992	Total abolition of specified chlorofluorocarbons	2004	Received Energy Management Achievement Award (Kanto Bureau of Economy, Trade, and Industry Director General's Award)
1993	Total abolition of 1.1.1-trichloroethylene	2005	ISO 14001 certification renewal review conducted, and continuation of the certification is authorized.
1996	Obtained certification for British Standard 7750 for environmental management		Receive Energy Management Achievement Award (Agency for Natural Resources and Energy Director General's Award)
	Obtained ISO 14001 certification (environmental management systems standard)	2006	On-site review for environmental activities conducted at overseas bases
1999	Received commendation for excellence in energy management in factories (Kanto Bureau of International Trade and Industry Director General's Award)		
2001	Realization of zero waste emissions		
2002	ISO 14001 certification renewal review conducted, and continuation of the certification is authorized.		
	Received 3R* Promotion Council President's Award		

*3R: Reduce, Reuse, Recycle

Energy is invested and discharged over the entire lifecycle of a product.

We are striving to lessen the environmental impact of all our business processes, including development, production, sales, service, and disposal, to prevention of global warming, effective use of resources, management of chemicals, etc.

Input and Output (Environmental impact flow diagram)



*Totals by Nasu Operations, the production base for Toshiba Medical Systems. Each numerical value is an actual measurement.
CO_2 is output from boilers, etc.

Fourth Voluntary Environmental Plan/ Environmental targets and results in fiscal 2006

Based on the Toshiba Group's voluntary environmental plans, we have established and activated our "Voluntary Plan" aimed at reducing environmental impact. In the table below are the target values of the Toshiba Group's "Fourth Voluntary Environmental Plan" and Toshiba Medical Systems' "Environmental Results for Fiscal 2006".

Toshiba Voluntary Environmental Plans

The "First Voluntary Environmental Plan", a self-imposed environmental action plan, was started by the Toshiba Group in fiscal 1993. The action plan was further cultivated and expanded to include a second and a third plan, and the "Fourth Voluntary Environmental Plan" was started in fiscal 2005. The plan considers prevention of global warming, management of chemical substances, and effective use of resources in all processes involved in "making, using, returning, reusing", and is aimed at global activities and "Environmental Vision 2010".

Fourth Voluntary Environmental Plan	Fiscal 2006	Target Value	Achieved value		Evaluation	Fiscal 2007 Target Value
Zero Emission of Waste	Quantity of final disposal per total discharge	Below 0.2% →	Below 0.2%	(Continuous achievement of zero emissions since fiscal 2001)	◎	Quantity of final disposal below 0.2% of total discharge
Reduction in CO_2 Emission (emission compared to production)	Quantity of emission per unit sales amount compared to fiscal 1990	45% improvement →	45% improvement	(Promotions such as introduction of high-efficiency compressors)	◎	45% improvement in quantity of emission per sales amount
Green Procurement	Business partners above Rank A	Over 95% →	Over 95%	(Business partners above Rank A)	◎	More than 95% of business partners above Rank A
Adoption of lead-free soldering	Application of in-house manufactured circuit boards	Over 70% →	Over 95%		◎	Application of 100% of in-house manufactured circuit boards

Evaluation standard ◎ : Achieved △ : Achievement rate above 80% × : Achievement rate below 80%(Items without numerical target ◎ : Achieved △ : Almost achieved × : Not yet achieved)

Target for waste reduction reached far ahead of schedule

With regard to the amount of waste generated, absolute amounts are converted to a load per production unit system index. Based on the fourth Voluntary Environmental Plan, we set a target of 20% reduction in load per production unit by fiscal 2010 (compared with fiscal 2000). In fiscal 2005, we had already achieved a 26% reduction. We have also already reached the target for quantity of final disposal, which aims for a ratio of 0.5% by fiscal 2010, by achieving a ratio of 0.2% in fiscal 2006. However, we will continue to promote waste reduction by setting even stricter targets for fiscal 2007.

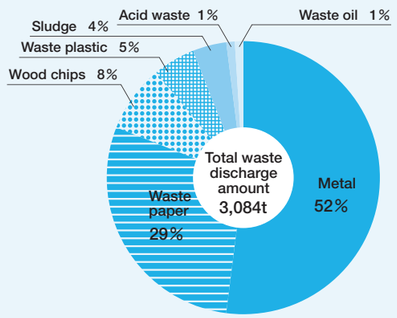
DATA Trends in Toshiba Medical Systems' total waste discharge amount

* Total amounts for Toshiba Medical Systems production base and 21 non-production bases in Japan (total amounts in fiscal 2005 and previous years are for the production base only).

Actively reducing waste towards establishment of a global environmental control system

Since fiscal 2006, we have added the amounts of waste from 21 non-production bases in Japan to that from the production base, and released the total waste discharge amount. We are now building a global environmental control system so that the amounts of waste from eight overseas non-production bases can be released. We have also reduced the annual amount of landfill waste (quantity of final disposal) by approximately 1 ton by crushing glass and ceramics, which had been directly dumped before, to be recycled as building materials. We aim for further reduction of waste by strengthening cooperation among related departments and improving the packaging of procured items.

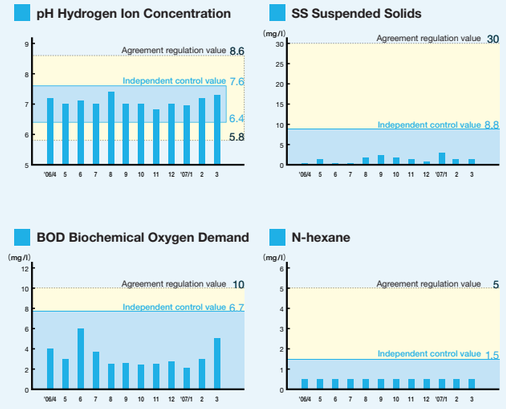
DATA Breakdown of total waste discharge amount in fiscal 2006



Making efforts to preserve water through extensive water quality control

As the most effective system for preserving water quality, we established a wastewater treatment plant within the premises of Nasu Operations. Enhanced everyday management and extensive water quality testing are performed at the plant. We filter the wastewater until it is close to the quality of natural water. This is achieved through water quality tests that involve both collecting data observing fish in a test tank. All of the water quality measurements cleared, by a wide margin, the control values of the laws and regulations (agreement regulation values).

DATA Water quality measurements (at Nasu Operations final river sluice)



Achieved values from April 2006 to March 2007

Based on PRTR*, we are promoting improvements in the discharge amounts of chemical substances.

The Toshiba Group has independently practiced assessment and reduction of the release and transfer of specified chemical substances, even before the PRTR Law (Pollutant Release and Transfer Registration Law, concerning the emission of specified chemical substances and promotion of managerial improvement) came into effect. The amount of substances subject to PRTR Law handled in fiscal 2006 is shown below. Two substances exceeded the level (1 t /year) set by the law, and were duly reported.

DATA Fiscal 2006 Release and Transfer Amounts for Chemical Substances
(PRTR for targeted substances based on Toshiba's guidance)

Amount of targeted substances handled: 23.55 t.

Lead	0.63t
Bisphenol A	18.55t
4,4"-methylenedianiline	3.46t
Zinc	0.42t
Toluene	0.20t
Other	0.29t

Unit: t/year

Amount discharged to atmosphere	0.18t
Amount transferred	0.76t
Amount consumed	22.36t
Amount recycled	0.25t

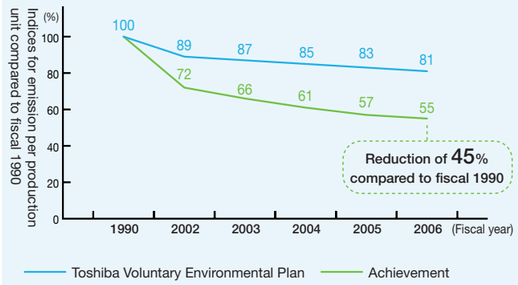
*PRTR: Pollutant Release and Transfer Register

Reduction of CO_2 emissions, and involvement in other energy-saving activities

With the aim of reducing emission of CO_2, a greenhouse gas considered to have a major impact on global warming, we have adopted the target of a 1% annual reduction in CO_2 emissions per production unit. We are also providing products with high energy efficiency, and attempting to reduce other greenhouse gases such as sulfur hexafluoride (SF6).

DATA Trends in energy-originated CO_2 emission per production unit

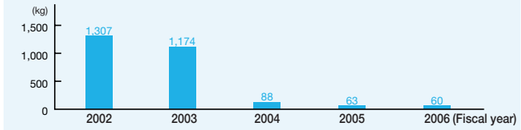
1) We adopted the respective CO_2 emission factors for electrical power, heavy oil A, and LPG (liquid petroleum gas).
2) Indices compared to fiscal 1990 are derived from the ratio of CO_2 emission to production, taking fiscal 1990 as 100.



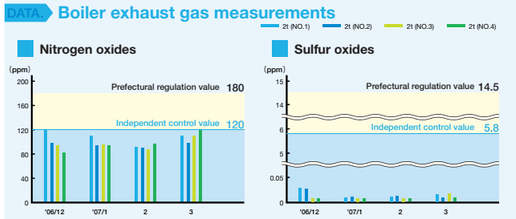
We have substantially reduced exhaust gas by reviewing and renewing our facilities

To preserve the atmosphere, Toshiba Medical Systems has used LSA heavy oil, a fuel with low sulfur content, since fiscal 2003. In fiscal 2004, with the aim of improving boiler efficiency, we installed gas firing boilers for coating processes. In fiscal 2005 and 2006, we renewed aging water-cooled air conditioners with air-source heat-pump systems, eliminating water vapor. By implementing these improvements, we reduced the amounts of nitrogen oxide and sulfur oxide discharged, clearing the control values of the laws and regulations by a wide margin. In the future, we plan to expand the renewal of air conditioners, with the aim of eliminating the boilers.

DATA Trends in SOx discharge amount



DATA Boiler exhaust gas measurements



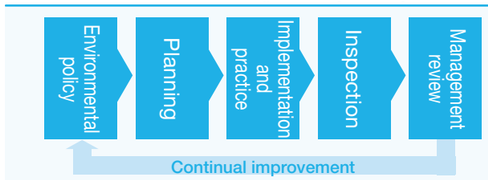
Achieved values from April 2006 to March 2007

Environmental Protection Promotion System

We are implementing strict audits and training aimed at continual improvement

At the production base of Toshiba Medical Systems group, ISO14001 certification was obtained in March 1996. We established an internal environmental protection promotion system, and are working to continually improve environmental protection activities based on ISO14001. To increase the awareness of all employees, we are providing environmental training for all employees, including Group companies and branch establishments, and affiliated personnel at Nasu Operations.

Environmental management system cycle



Three grades of regular audits have been performed for strict checking

In order to confirm that environmental protection activities are being implemented appropriately, three grades of environmental audits are regularly performed at Toshiba Medical Systems group.

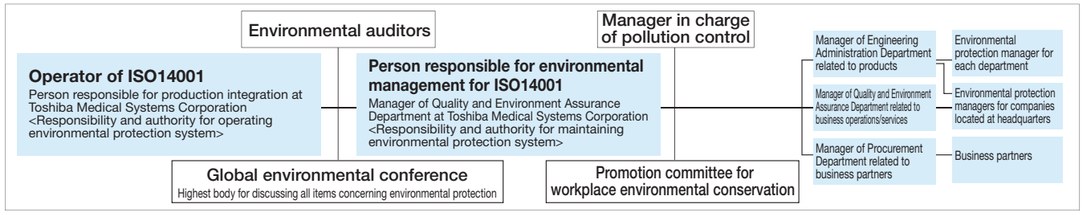
1 **Audit**
Audit by external organization based on ISO14001

2 **In-house environmental audit**
Audit based on Toshiba's in-house environmental audit system (EASTER*)

3 **Internal environmental audit**
Self audit based on Toshiba Medical Systems' environmental audit system.

* EASTER: Environmental Audit System in TOSHIBA on basis for ECO Responsibility

Environmental Protection Promotion Structure



Environmental protection activities in different regions of the world

We are serving the local community by actively promoting environmental protection

To promote cooperation with the local community and help more people to understand the activities of the Toshiba Medical Systems group, we actively encourage schools, groups and companies to visit our facilities.

Group cleaning of industrial complex in Nozaki

Since 1994, ten member companies of the Nozaki Industrial Complex Council have cooperated annually to clean streets and parks in the industrial complex area. This trash-clearing activity has provided an opportunity to think about the importance of environmental protection.

Visiting recycling facilities

In "3R Promotion Month", we visited an intermediate treatment facility for combustible trash. The sight of a mountain of garbage brought home to participants the necessity of reducing, reusing and separating trash.

Hosting environmental lectures

We held a lecture entitled "Thinking about environmental issues through our daily life". The audience was reminded of the importance of basic environmental protection efforts that we can make in our homes.

Promoting communication

We are promoting environmental communication by presenting our environmental activities at the "Environmental Forum" sponsored by Otawara, and sharing our successful examples of energy-saving activities at the "Meeting for Sharing Examples of Rational Use of Electricity" sponsored by Tochigi Prefecture Electrical Association.

Light down

We are actively promoting energy-saving activities by turning off night lighting within the premises of Nasu Headquarters.

Participation of foreign engineers in environmental activities

Engineers from overseas who are currently stationed in Japan are also cooperating in the implementation of environmental promotion activities, contributing to full participation in such activities.

Providing a lecture at a university in Tokyo

On request from a university, we introduced our environmental protection efforts to the students of the university on May 12 and 19.

Comments from a professor and a student

"It was a good opportunity for students to learn about the level at which companies are working on environmental issues. In college classes, students learn environmental issues from theoretical and academic points of view. However, they have almost no chance to learn about specific cases of environmental protection. This lecture by Toshiba perfectly met the purpose of this course, which aims to provide real examples."

Professor A

"Currently, maximum efforts for environmental protection are being made, and the introduction of solar batteries and hybrid cars are highly appreciated in general. However, I think it is actually very difficult to introduce these items if you consider efficiency and costs. To learn that Toshiba has introduced these items and has been fully utilizing them helped me understand the company's strong awareness and its determination to meet the challenge of environmental issues."

Student B

Group companies in Japan and abroad are working together for environmental protection

With regard to environmental protection, we are regularly conducting interactive communication with the major business partners who supply parts for our products. By providing appropriate assistance, we are also supporting their efforts to reduce their environmental impact and observe the applicable laws and regulations. In fiscal 2006, we gave assistance and advice to seven regional offices in Japan and two companies abroad with regard to communication with their business partners.

Efforts to separate trash at Toshiba Medical Systems Europe

At our branch offices in Japan, approximately 1,500 cars are used for sales and service activities. We are therefore attempting to reduce CO_2 emissions caused by branch offices as an immediate measure to protect the environment. In fiscal 2006, we introduced an environmentally friendly hybrid car to each of our major branch offices. Our overseas subsidiaries are also introducing hybrid cars. (22 cars introduced in fiscal 2006, total 34 cars introduced so far)

*hybrid car : A motor car powered by both an internal combustion engine and an electric motor

West-Tokyo Branch Office

Toshiba Medical Systems Europe B.V.

Environmental accounting

We introduced an "Environmental Accounting System" in fiscal 1999 to assess the costs and benefits of our environmental protection activities and to serve as a guideline for our business activities. We calculated the expenditure invested in environmental protection activities, "environmental protection costs", as well as "environmental protection benefits", including the actual benefits, assumed benefits, and customer benefits resulting from these environmental protection activities. In fiscal 2006, we again expanded the scope of totals for "environmental protection costs" to include costs at production and non-production bases in Japan. The point of improvement in fiscal 2006 was that we also expanded the scope of totals for "environmental protection benefits" to include reductions in energy costs and waste treatment costs at production and non-production bases in Japan. From now on, we will make full efforts to establish a global environmental management system so that our environmental accounting will represent the whole of Toshiba Medical Systems group, including our overseas subsidiaries.

Environmental protection costs

Classification	Content	Investment expenditure	Costs during the period
Business area costs	Reduction of environmental impact ① to ③	119	260
Breakdown ① Pollution prevention costs	Pollution of atmosphere, water quality, soil, etc.	0	77
② Global environment protection costs	Prevention of global warming, protection of ozone layer, etc.	117	89
③ Resource circulation costs	Effective use of resources, waste reduction, etc.	2	94
Upstream/downstream costs	Green procurement, recycling, etc.	0	218
Administration costs	Labor costs for environmental training, environmental protection, etc.	0	168
Research and development costs	Development of environmentally friendly products, etc.	0	1,832
Social activity costs	Tree planting, disclosure of information, etc.	0	0
Environmental remediation costs	Air pollution levy, etc.	0	0
	Total	119	2,478

Environmental protection benefits

Classification	Content	Total
Actual benefits	Benefits that can be directly converted into monetary value, such as reductions in electricity and water charges	−105
Assumed benefits	Benefits concerning reduction in environmental impact converted into a monetary amount*1	12
Customer benefits	Benefits concerning reduction in environmental impact at the usage stage converted into a monetary amount	581
Risk prevention benefits	Calculated value of reduction in environmental risk before and after investment	0
	Total	488

Target scope of totals: Toshiba Medical Systems Corporation and group companies within Japan
Totaling period: April 1, 2006 to March 31, 2007
Totaling method: Environmental protection costs according to the Ministry of the Environment's "Environmental Accounting System Guidelines", environmental protection benefits according to Toshiba's independent standards.

Unit: million yen

Breakdown of actual benefits

Item	Reduction of environmental impact*	Benefits converted into a monetary amount
Energy	−1263 kl	−95
Waste	−446 t	-10
Water	270 m^3	0
	Total	−105

Breakdown of assumed benefits

Item	Reduction of environmental impact*	Benefits converted into a monetary amount
Wastewater related	2.9 t	-3
Atmosphere related	0.8 t	15
	Total	12

Breakdown of customer benefits

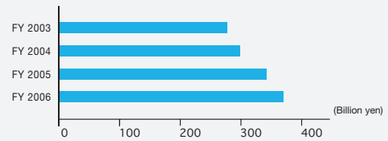
Item	Reduction of environmental impact 1) to 3)	Benefits converted into a monetary amount
Environmental impact reduction benefits at the usage stage	25,250 MWh	581

*The amount of reduction in environmental impact is the difference between fiscal 2005 and fiscal 2006.

Corporate Profile

Company name	Toshiba Medical Systems Corporation
Founded	1930 (October)
Incorporated	1948 (September)
President and CEO	Masamichi Katsurada
Headquarters	1385 Shimoishigami, Otawara-shi, Tochigi-ken, JAPAN Tel:0287-26-6211
Tokyo office	3-26-5 Hongo, Bunkyo-ku, Tokyo, JAPAN Tel:03-3818-2061
Capital	14.7 billion yen
Scope of business	Development, manufacture, sale and technical services for medical equipment (including diagnostic X-ray systems, medical X-ray CT systems, magnetic resonance imaging systems, diagnostic ultrasound systems, radiation therapy systems, diagnostic nuclear medicine systems, medical sample testing equipment, and information systems for medical equipment).

Group's consolidated sales



Website http://www.toshibamedicalsystems.com

Editing Policy

In fiscal 2006, we added a social report to the conventional environmental report, and released these as a social and environmental report. To provide information on our activities to customers around the world, we issued an English version in addition to the Japanese version. The social and environmental report can be viewed on our website, and provides a wide range of information on the activities of Toshiba Medical Systems group. In fiscal 2007, we further extended the content of the social report, and released it as a CSR report.

Period of Report

April 1, 2006 to March 31, 2007

Publication Date

End of June 2007
(Previous publication: June 2006, Next publication schedule: End of June, 2008)

Extent of Report

Toshiba Medical Systems Corporation and major affiliated companies. Parts of the report also present the activities of the whole Toshiba Group or Group companies.

Reference guidelines

- GRI "Sustainability Reporting Guidelines"
- Ministry of the Environment "Environmental Reporting Guidelines, Fiscal Year 2004 Version"