Message from Top Management

Toshiba’s eyes are firmly fixed on the future, and in November 2018, we introduced the Toshiba Next Plan as the blueprint for company-wide transformation that will lift the potential of the Group and maximize its corporate value.

For the past few decades, global development has centered on the IT revolution, particularly the Internet and semiconductor technology, and this has created immense value. Looking ahead, we see a future where the real world technologies (physical technologies) that Toshiba has cultivated as a manufacturer will fuse with digital and internet technologies (cyber technologies). We will enter into a new world where manufacturing and services evolve together.

As we stand at the major turning point that will take us into that era, Toshiba Group is once again reaffirming its position in industry and its direction as a Cyber-Physical Systems (CPS) technology company. With the Toshiba Next Plan, we will develop and execute measures focused on strengthening basic earnings power and concentrating investment in growth areas.

Guided by The Basic Commitment of Toshiba Group “Committed to people, committed to the Future,” we are a corporate group that is grounded in respect for people, that creates rich value, and that contributes to the lives and cultures of people around the world. As a signatory to the UN Global Compact, and with a sound management base, we are working toward the realization of a sustainable society by strengthening ESG (environment, society, governance) efforts across our business activities. We are also contributing to the achievement of the SDGs* through businesses directly connected to solving increasingly urgent social issues, such as climate change, energy and resource constraints.

For over 140 years, Toshiba Group has consistently contributed to society’s evolution and progress, and brought a venture spirit to the development of a wide range of technologies. Moving forward, we will bring all our strengths to bear on the realization of the Toshiba Next Plan by continuing to combine the creativity and technology that we have cultivated, to confront increasingly serious social issues, and to turn on the promise of a new day.

* SDGs: Sustainable Development Goals. Goals adopted by the UN in 2015, to be achieved by 2030.
**Introduction**

In recent years, social issues related to the environment including climate change, depletion of energy and resources, and oceanic pollution due to plastic debris are becoming increasingly serious. Especially for climate change issues, a move toward de-carbonization is accelerating after the Paris Agreement. For companies, intent on capturing risks and opportunities that climate change presents to business, setting long-term reduction goals, working to reduce greenhouse gas (GHG) emissions throughout the supply chain and so on have become essential for growth.

Toshiba Group recognizes that making a response to social issues including climate change is one of the most important management issues. In "Toshiba Next Plan," a company-wide transformation plan formulated in November 2018, we expressed our commitment to work to resolve social issues through technology and achieve SDGs. I believe our responsibility as a member of the international society is to realize a future envisioned by SDGs by presenting resolutions for issues one after another with technological capabilities that only Toshiba Group has and business activities that only Toshiba Group can perform.

To strengthen our initiatives for climate change, Toshiba Group declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD*) in May 2019. While analyzing risks and opportunities that climate change presents to business and appropriately disclosing information based on the recommendations, as well as continuing to grasp the status of GHG emissions including those through the supply chain, we will aim to realize a de-carbonized society. Moreover, we will also work on issues other than climate change such as the depletion of energy and resources, and contribute to the realization of a sustainable society envisioned by SDGs.

**Promotion of the Sixth Environmental Action Plan**

Toshiba Group has been promoting the Sixth Environmental Action Plan (activity period: FY2017–2020) toward achieving Environmental Vision 2050, a long-term goal envisaging an ideal state of the Earth in 2050. In the plan, we aim to reduce environmental impacts across the life cycle of the products by setting KPI*² from the perspective of both manufacturing and products and services. Among achievements made in FY2018, in manufacturing we were able to limit total GHG emissions to 1.24 million tons against the target figure of 1.54 million tons. The energy-derived CO2 emissions per unit activity were 95% (compared to the FY2013 level) thus achieving the target. We will continue to aggressively invest in energy saving equipment in an effort to make further improvements.

As for products and services, due to wide ranging development of low carbon energy technologies and improvement of energy-saving performance of products including social infrastructure products and office equipment, the reduction in CO2 emissions achieved by products and services was 12.16 million t-CO2*³. We will bring together our technological capabilities and continue to focus on developing products and services that are highly effective in reducing emissions.

In the management field, we focused on ensuring environmental risk compliance in the first place, and also engaged in various community-based initiatives including holding the Toshiba Group Environmental Exhibition, presenting environmental educational programs for elementary school children, and conducting biodiversity conservation activities at our global sites. We will continue to promote aggressive activities toward upgrading the foundation of environmental management.

**Looking forward**

The "Essence of Toshiba" newly issued in July 2018 is grounded in our long-standing statement of intent, “Committed to People, Committed to the Future,” as our basic commitment, and defines our purpose as “turning on the promise of a new day” by combining the power of invention with our expertise. Under this concept, while resolving social issues and maintaining business growth, we will strive to contribute to creating a bright future. We would very much appreciate your continued support.

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*T: The TCFD is an organization established by the Financial Stability Board (FSB) in 2015 where financial institutions and companies discuss the climate change issue from the perspective of financial stability.

*²: Key Performance Indicator

*³: An accumulated value from FY2017