

CSR Report 2018

Year ended March 31, 2018



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CSR Reporting Policy

Our effort to report on the priority issues for our stakeholders and those for Toshiba Memory Group.

In editing the CSR Website of Toshiba Memory Group, we examine and take into consideration the issues material for both our stakeholders as well as the Group. In FY2017 it has the following three points:

- 1. Reporting top commitment from executive officer in charge of CSR to engage in CSR management of Toshiba Memory Group**
 - > Message from the Executive in Charge of CSR
- 2. Reporting effort toward CSR material issues which are identified**
 - > CSR Material Issues and Goals
- 3. Disclosing CSR Performance and enhancing the contents**
 - > CSR Performance

Organizations covered in this report

In principle, Toshiba Memory Group is covered in this report, but individual entities are indicated in cases where information does not pertain to Toshiba Memory Group.

Note: "Toshiba Memory" in this report refers to Toshiba Memory Corporation. "Toshiba Memory Group in Japan" refers to Toshiba Memory Corporation and its consolidated subsidiaries in Japan. "Toshiba Memory Group overseas" refers to consolidated subsidiaries overseas.

Reporting period

This report focuses on the results of activities in FY2017 (from April 1, 2017 to March 31, 2018).

It also includes some activities continuing from the past as well as more recent ones.

Publication

Current issue: July 2018 (next issue scheduled for July 2019)

Reference Guidelines

- GRI (Global Reporting Initiative)
Sustainability Reporting Standard
This report contains Standard Disclosures from the GRI Sustainability Reporting Standard.
- United Nations Global Compact [COP(Communication on Progress) Advanced level]
- ISO 26000

Corporate Profile

Company Outline

Name	Toshiba Memory Corporation
Establishment	April 1, 2017
Capital	473,400,025,000 yen
Address	1-1 Shibaura 1-chome, Minato-ku, Tokyo
Major Shareholders and Shareholding Ratios	BCPE Pangea Cayman, L.P. 49.9% Toshiba Corporation 40.2% Hoya Corporation 9.9% *Based on ownership of voting rights
No. of Total Issued Shares	13,965,000 shares
Name and Title of Representative	Yasuo Naruke Representative Director, President and Chief Executive Officer
Business Outline	Development, manufacturing and sales of memory and related products, and related business
No. of Employees	Consolidated approx. 11,000, Non-consolidated approx. 9,000
Major Subsidiaries	Japan: Toshiba Memory Systems Co., Ltd. (TMES) Toshiba Memory Advanced Package Corporation (TMEC) Toshiba Memory Iwate Corporation (TMI) Overseas: Toshiba Memory America, Inc. (TMA) Toshiba Memory Europe GMBH (TME) Toshiba Memory Asia, Ltd. (TMAL) Toshiba Electronics (China) Co., Ltd. (TELS) Toshiba Devices & Storage (Shanghai) Co., Ltd. (TDES) Toshiba Memory Singapore Pte. Ltd. (TMSP) Toshiba Memory Semiconductor Taiwan Corporation (TMET) Toshiba Memory Taiwan Corporation (TMTC)

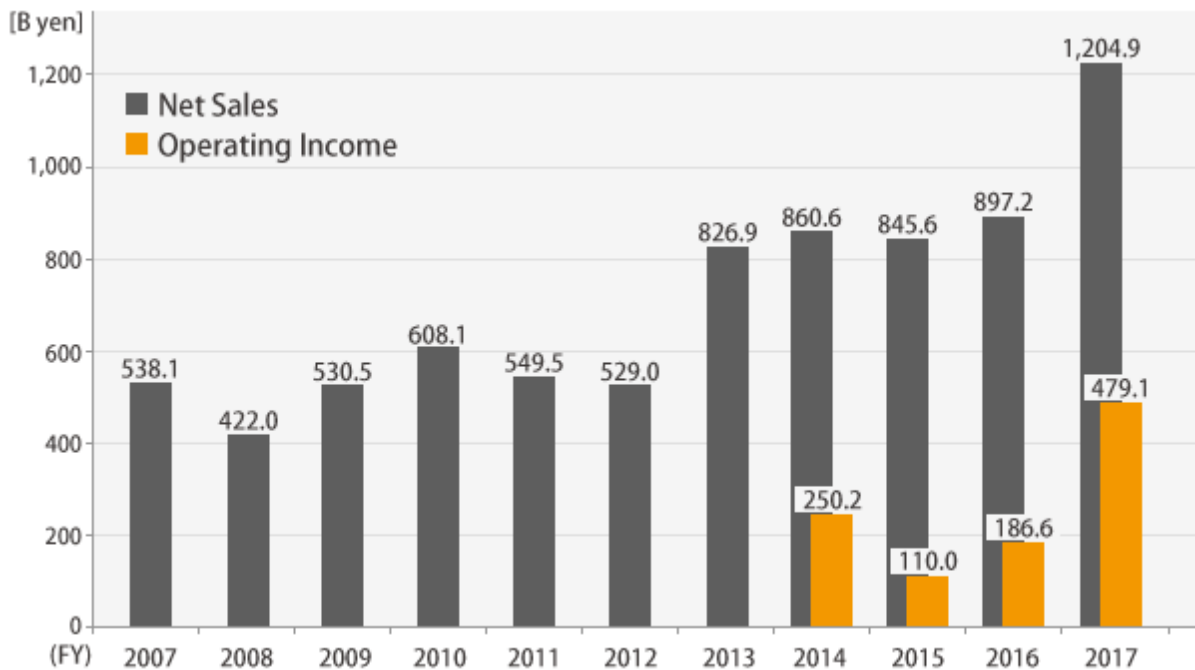
	Toshiba Memory Korea Corporation (TMKC)
	Toshiba Memory Taiwan Corporation (TMTC)
	Toshiba Memory Korea Corporation (TMKC)

History

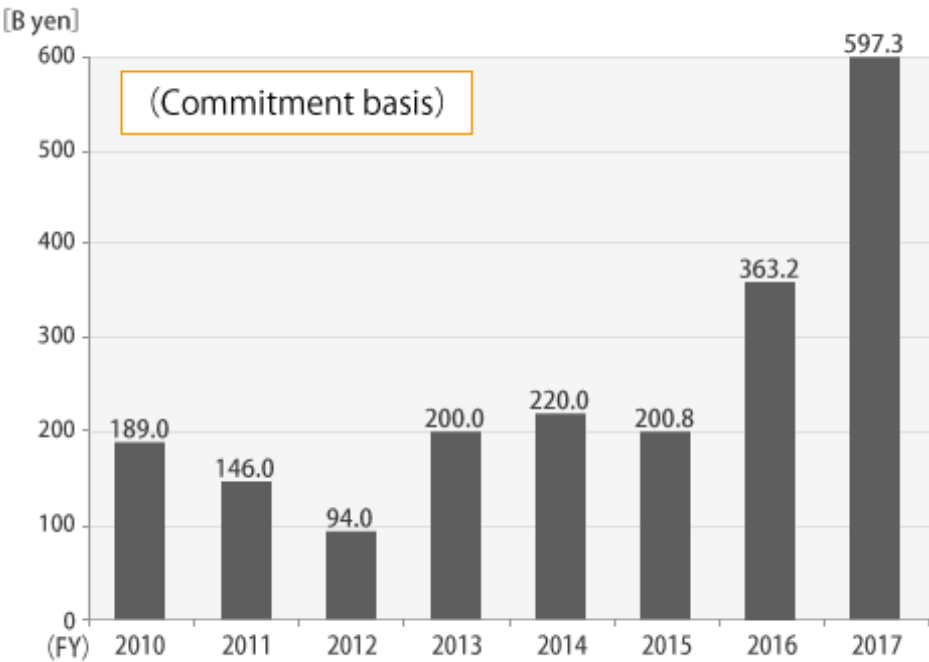
The inventor of flash memory, blazes trails to the future

1987 年	Invention of world's first NAND flash memory
1991 年	World's first mass production of NAND flash memory
1992 年	Yokkaichi Operations established
2007 年	World's first 3D flash memory technology announced
2014 年	World's first 15nm 128Gbit NAND flash memory
2016 年	Mass production of 48-layer BiCS FLASH™
2017 年	Toshiba Memory Corporation established Mass production of 64-layer BiCS FLASH™

Net Sales & Operating Income



Capital Investment



* Toshiba Corporation Electronic Devices Segment

Locations in Japan



Corporate Philosophy



Mission

The Mission is the purpose of Toshiba Memory Corporation.

Vision

The Vision is what Toshiba Memory Corporation aims to become in the future.

Values

The Values is code of conduct for realization of its mission and vision.

CSR Strategy

- **Message from the Executive in Charge of CSR**
- **Our Approach to Solving Global Social Issues**
- **CSR Management**
- **CSR Material Issues and Goals**
- **Major sustainability issues and initiatives in the value chain**
- **Stakeholder Engagement**

Message from the Executive in Charge of CSR

**Toshiba Memory Group aims to be
a company trusted by stakeholders.**

**Tomoharu Watanabe
Chief Operating Officer
Vice President**



Toshiba Memory Group has been providing convenience to the lives of people around the world as well as contributing to the development of industry and society through supplying NAND flash memory and SSD that is indispensable to many electronic devices, such as smartphones and servers. As the structure of industry changes and grows in the future through technical innovation, we will contribute to the development of a sustainable society through providing cutting-edge technologies and products.

In the meantime, as the globalization of our business advances day by day, the expectations and demands placed on companies by society, such as contribution to reducing greenhouse gas emissions under the Paris Agreement and participation in the UN's Sustainable Development Goals (SDGs), are growing steadily. In response to such expectations and demands, while not just observing laws and regulations as well as social norms, we will strive to contribute to solving social issues through business operations.

In FY2017, we selected "Respect for Human Rights," "Promotion of Diversity," "CSR Management in the Supply Chain," and "Environment" as especially important CSR issues in conducting our business. In FY2018, all of us in the Toshiba Memory Group work together to deepen these activities.

Toshiba Memory Group will continue to aim to become a company trusted by stakeholders and steadily move to the next step by sincerely committing to CSR activities.

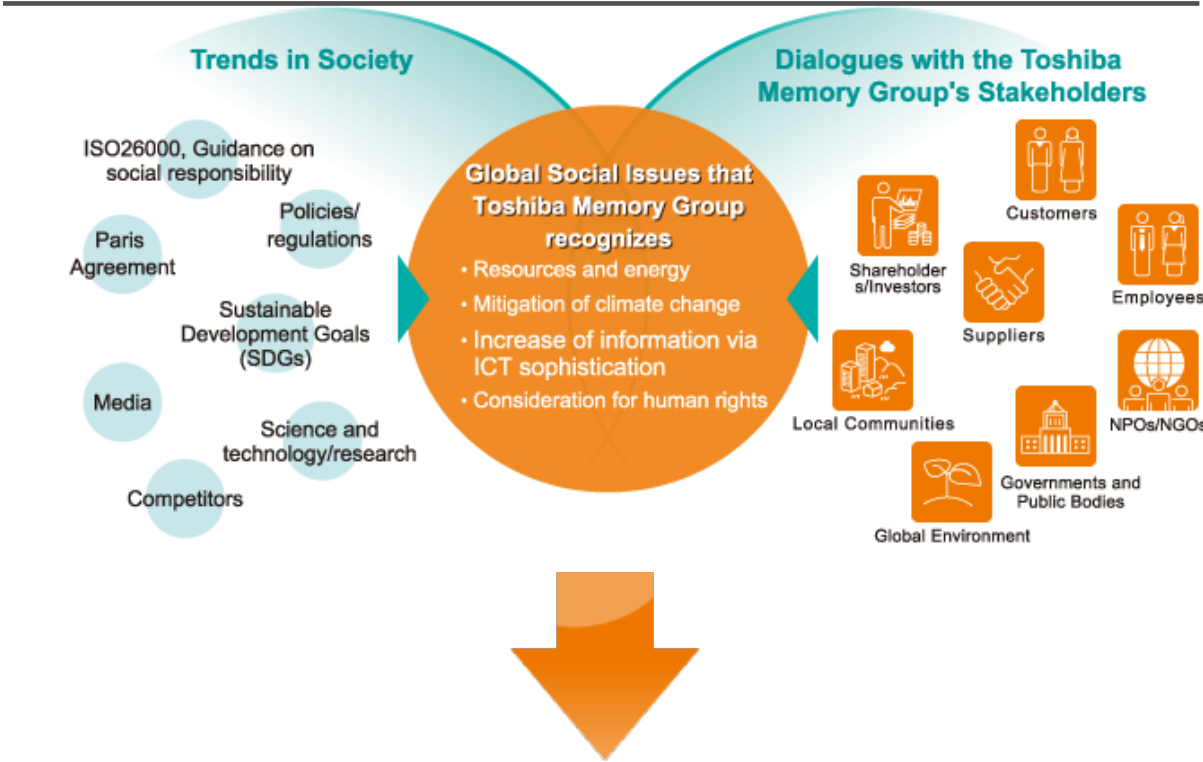
Tomoharu Watanabe
Chief Operating Officer
Vice President

Our Approach to Solving Global Social Issues

Through developing, manufacturing, and selling memory and SSDs, Toshiba Memory Group contributes to developing electronic equipment with a larger capacity, higher speed, smaller size, and power-saving capabilities closely related to people’s lives, as well as data centers and data servers that support advanced information-oriented society.

Through our business activities, we create new value by grasping trends in the international community and communicating with various stakeholders. In doing so, we contribute to developing a better society.

Recognition of Global Social Issues



Sphere of activities

- Increasing the capacity and speed while reducing the size and energy consumption of electronic equipment that is indispensable to smartphones, automated driving, Internet of Things (IoT), and artificial intelligence (AI).
- Solutions for the enormous volume of data processing in an advanced information-based society

Toshiba Memory Group's Businesses

Development, manufacturing and sales of memory and related products, and related business

Latest Capital Input and Financial Results

Human Capital	Financial Results		Manufacturing Capital
Employees Approx. 11,000 (As of April 2017)	Net Sales ¥1,204.9 Billion (FY2017 Actual)	Operating Income ¥479.1 Billion (FY2017 Actual)	Capital Investment ¥576.8 Billion (FY2017 Actual)



Toshiba Group's Solutions

Value We Create

Providing storage devices that meet the demand for increasing capacity and speed, and conserving space

- Realizing convenient and comfortable living conditions through providing inexpensive and resilient storage infrastructures.
- Further spreading IoT- and AI-related technologies and the resulting improved productivity of society

Reducing CO2 emissions through business activities and energy-saving products

- Realizing a global environment where people around the world can live safely and with peace of mind through reduced climate change

CSR Management

Toshiba Memory Group promotes CSR management with the aim of enriching people's lives and expanding society's horizons through innovative products and services as defined in our corporate philosophy.

Through communication and collaboration with a range of stakeholders such as customers, suppliers, employees, and their families, we will gain an understanding of issues that affect them and build relationships with them founded on trust.

Definition of CSR

Toshiba Memory Group clearly defines CSR so that every employee and executive officer recognize it in common.

CSR Management of Toshiba Memory Group:

Continuing to develop together with the community for many years to come while enriching the lives of people through business, as well as fulfilling our responsibilities as a member of the community

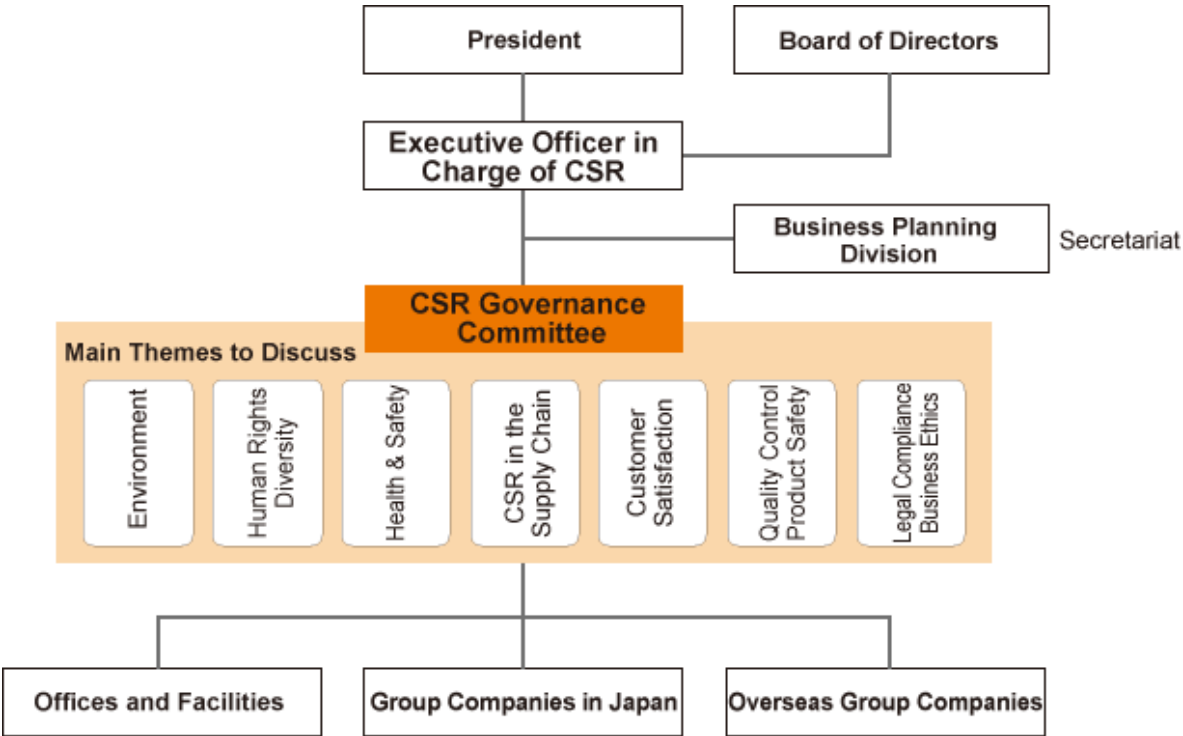
Organization of CSR Management

In order to promote CSR management that is integral to corporate management, in October 2017 Toshiba Memory Group established a team responsible for CSR within the Business Planning Division of Toshiba Memory Corporation.

In November of the same year, we appointed a person in charge of CSR and CSR promotional staff to each department closely related to CSR management. The CSR Governance Committee, which comprises these members, meets monthly to deliberate and determine CSR-related measures and how to promote them.

The Committee reports its decisions to the Board of Directors through the Executive Officer in charge of CSR, and communicates them to each business site and across all the group companies to promote implementation of the measures.

CSR Management Structure



CSR Material Issues and Goals

Toshiba Memory Group is committed to communication with integrity and transparency, and reports CSR issues that it considers material. In FY2017, we selected the following four CSR issues with reference to ISO26000 as well as GRI standards, the UN's SDGs, ESG index selected by GPIF, and trends in Japan and overseas, by exchanging opinions with stakeholders, and through discussion in the CSR Governance Committee.

Respect for Human Rights

Setting up a System of Human Rights Due Diligence

In FY2017, we identified risks and mapped the areas where they may arise in the value chain, including our company. While reviewing such visualized risks among all the parties concerned, we will work on building a system for human rights due diligence in our group companies.

Midterm Plan and Value to Realize

Item	Content
Midterm Plan (FY2020)	Setting up and launch a system of human rights due diligence
Value to Realize	Realize better working environment for all employees who work at Toshiba Memory Group

CSR Management in the Supply Chain

Promoting Supplier Management in accordance with RBA Code of Conduct

To promote CSR in regard to human rights, labor, occupational health and safety, the environment, and ethics in the supply chain, Toshiba Memory Group is promoting activities that are in keeping with the principles of the RBA Code of Conduct.

Midterm Plan and Value to Realize

Item	Content
Midterm Plan (FY2020)	Rating and evaluation of suppliers that incorporates CSR-related items
Value to Realize	Realize better working environment for all employees who work at supply chain

Diversity Promotion

Promoting the Career Development of Female Employees

Toshiba Memory Group adopts Respect for Human Rights in the Group Standards of Conduct, and aims to establish an organization that enables diverse people with different values and opinions to fully develop their creativity and abilities. Promoting the career development of female employees, in particular, is becoming a subject of social concern as an important Japanese government policy as well as an ESG index selected by GPIF in July 2017.

Midterm Plan and Value to Realize

Item	Content
Midterm Plan (FY2020)	Developing a framework and implementation of a mechanism and system toward promoting the career development of female employees
Value to Realize	Realizing workplace a where people of diverse talents can demonstrate their expertise to achieve gender equality, etc.

Environment

Mitigation of climate change

As targeted by the UN’s Paris Agreement to maintain the increase in average temperatures in the world to below 2 degrees Celsius, social interest in climate change, as well as expectations and demands towards it for companies, is growing. Toshiba Memory Group positions environmental efforts as one of our most important issues, and in particular we will promote activities that align with international frameworks for climate change.

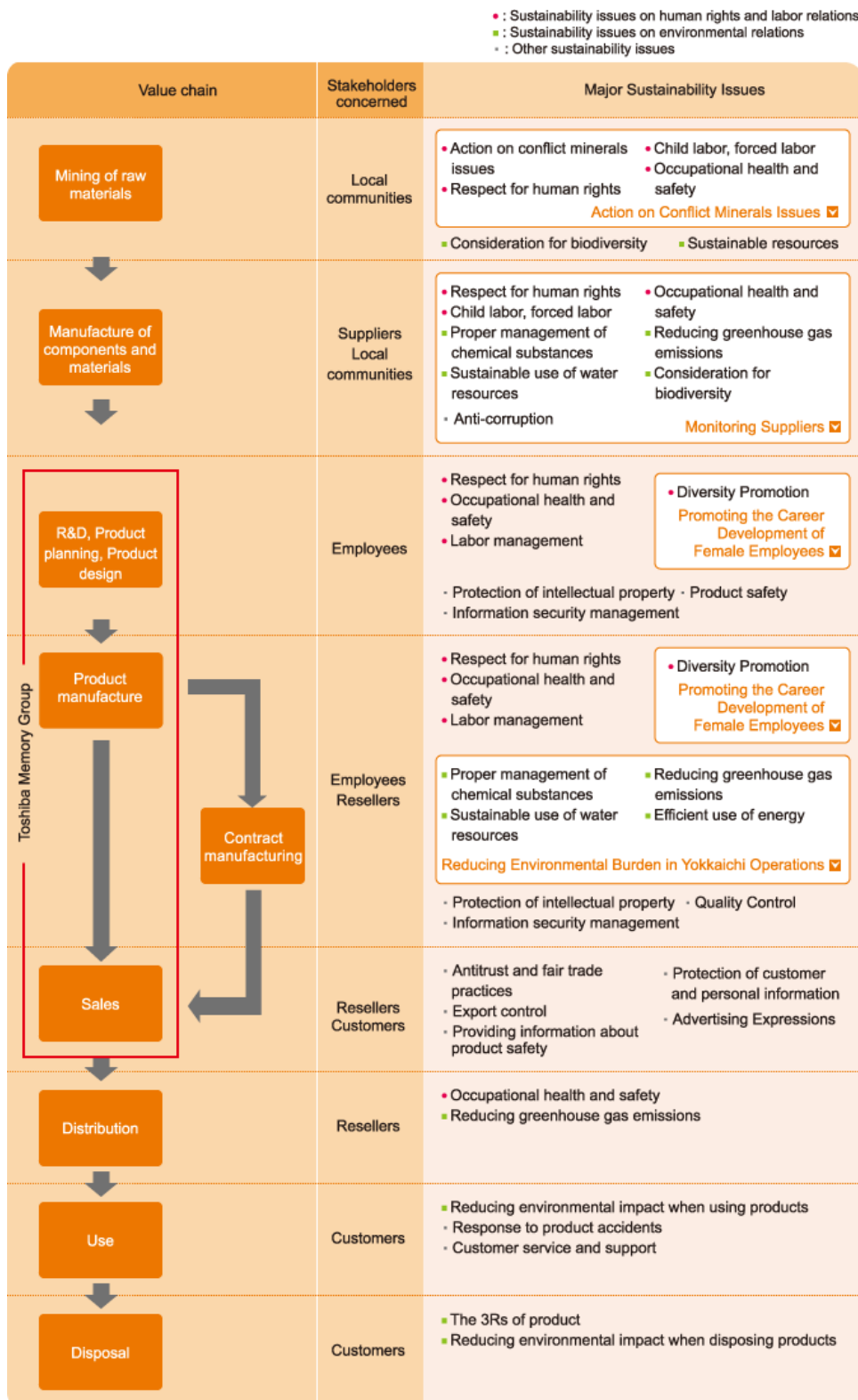
Midterm Plan and Value to Realize

Item	Content
Midterm Plan (FY2020)	Setting a long-term goal for reducing greenhouse gas emissions that comply with the SBT Initiative*
Value to Realize	Contributing to the achievement of the 2° Celsius target defined by the Paris Agreement. Realizing a global environment where people around the world can live safely and with peace of mind.

*SBT (Science-Based Targets) Initiative: an organization to encourage businesses to adopt greenhouse-gas emissions goals consistent with scientific knowledge to put them in line with the goal of keeping global temperature increases due to climate change below 2° Celsius compared to pre-industrial levels.

Major sustainability issues and initiatives in the value chain

As structure, value chain and related stakeholders vary between business segments, Toshiba Memory Group performs mapping and analyzes CSR challenges and risks for each, and do our utmost to avoid and mitigate risks.



Respect for Human Rights

Action on Conflict Minerals Issues

Out of the raw materials required to manufacture memory products, four minerals in particular* that are mined in conflict areas have become a serious issue, as they perpetuate the conflict and inhumane activities such as forced labor.

So as not to aid such inhumane activity through our procurement transactions, we annually survey our suppliers to investigate for any use of conflict minerals, and to gather smelter's information to be listed, based on our Conflict Mineral Policy which Toshiba Memory defines.

* Tin, tantalum, tungsten and gold

CSR Management in the Supply Chain

Monitoring Suppliers

As global procurement advances and accelerates, there is an increase in potential CSR risks that could greatly impact management. In order to reduce such risks, and in order to promote CSR in areas such as human rights, labor and the environment, we check the situation at our suppliers based on global standards such as the RBA* Code of Conduct.

* RBA: Responsible Business Alliance

Diversity Promotion

Promoting the Career Development of Female Employees

The maximization of the capabilities and strengths of diverse employees is critical for active innovation and corporate growth.

Among others, promoting the career development of female employees in particular is an important issue for companies, as it not only matches the Japanese government's policy, but is also one of the ESG indexes selected by the Government Pension Investment Fund (GPIF). At Toshiba Memory, we promote the career development of

female employees with a goal of developing a framework and implementing a mechanism and system for further promoting the career development of female employees.

Environmental Management

Reducing Environmental Burden in Yokkaichi Operations

Our 5th Fabrication Plant at Yokkaichi Operations (completed in 2014), the production base for our NAND flash memory, incorporated various measures to reduce environmental impacts. Through measures such as energy-efficient manufacturing and power equipment, and the use of LED lighting in all clean rooms, we reduce CO2 emissions by approx. 13% compared to the previously built 4th Fabrication Plant which is completed in 2008.











5th Fabrication Plant at Yokkaichi Operations

Stakeholder Engagement

Toshiba Memory Group's business activities involve relationships with diverse stakeholders as followings.

Here we clarify relationship with major stakeholders, responsibility of Toshiba Memory Group, points of dialog, and typical case study of communication.

Major Stakeholders

Stakeholder	Relationship with Toshiba Memory Group
Customers 	We are selling a wide range of memory and SSD products around the world. They are mainly used for smartphones, laptop PCs, data centers and data servers. (As of April 1, 2017)
Shareholders /Investors 	Of the 3,000 shares issued, 100% are held by Toshiba Corporation. (As of April 1, 2017)
Suppliers 	We deal continuously with some 500 suppliers worldwide. (As of April 1, 2017)
Employees 	Approx. 11,000 people work for Toshiba Memory Group. (As of April 1, 2017)
Local communities 	In carrying out our business operation, we respect the cultures, history, and customs of people in each region.
Governments and public bodies 	We observe the laws and regulations of the respective countries and regions in which we do business.
NPOs/NGOs 	We cooperate with and draw on the strength of NPOs and NGOs on areas such as the environment, human rights, and social contributions and always endeavor to engage in constructive dialogue with them.
Global environment 	We are responding to climate change and other environmental issues so that the habitats of diverse organisms, including our own offspring, can be maintained.

Customers



Key responsibilities	<ul style="list-style-type: none"> • Providing safe, secure products and services that offer great value • Providing appropriate product information • Offering excellent customer relations and support
Major means of identifying stakeholders' views and requests	<ul style="list-style-type: none"> • Routine sales activities • Call center (via phone, email, etc.)
Point of contact: Customer	Corporate Sales & Marketing Headquarter, Each division

Communication Method and Case Study

Education and Training of Employees on Dealing with Customers

We provide e-learning for employees to improve customer satisfaction. In FY2017, we held e-learning sessions which theme is Enhancement of Customer Satisfaction to Toshiba Memory Group employees in Japan.

Share and reflection of customer voices

We receive comments and requests for products and services in our daily operations, which are shared among related personnel including top management, and use them to improve product quality and repair services.

Shareholders/Investors



Key responsibilities	<ul style="list-style-type: none"> • Disclosing information in a timely and appropriate way
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Major means of identifying stakeholders' views and requests	<ul style="list-style-type: none"> • Timely disclosure, Press release • Meetings with Investors based on individual request
Point of contact: Customer	Legal Affairs Division, Business Planning Division

Communication Method and Case Study

Communication with Media and Securities Analysts

In October FY2017, we held factory tour for media in Yokkaichi Operations. In addition we communicated with institutional investors and securities analysts based on individual requests.

Suppliers



Key responsibilities	<ul style="list-style-type: none"> • Selecting suppliers fairly and engaging in fair trading practices • Respecting human rights, promoting labor management, environmental management in the supply chain
Major means of identifying stakeholders' views and requests	<ul style="list-style-type: none"> • Routine procurement activities • Briefing session on procurement policy • CSR survey, audit, guidance • Clean Partner Line
Point of contact: Customer	Procurement Division

Request to suppliers for promoting CSR management

We ask suppliers to promote CSR management through regular meetings to explain procurement policy and daily procurement operations. In addition, we conduct surveys on suppliers based on the RBA Code of Conduct to confirm the status of compliance.

Employees



<p>Key responsibilities</p>	<ul style="list-style-type: none"> • Respecting human rights • Maintaining proper employment and labor-management relations • Conducting fair assessment, treatment and human resource development • Respecting diversity • Supporting diverse working styles • Ensuring occupational health and safety
<p>Major means of identifying stakeholders' views and requests</p>	<ul style="list-style-type: none"> • Dialogues, information exchange meetings • Labor-management Congress • Employee morale survey (TEAM Survey) • Workplace Meetings • Risk hotline • Consulting services for employees
<p>Point of contact: Customer</p>	<p>Human Resources and Administration Division, Legal Division, Business Planning Division</p>

Messages from top executives

In FY2017, the President of Toshiba Memory Corporation visited each business site in Japan to deliver messages to employees who are equal or higher than specialist at the beginning of the fiscal year.

We aimed to increase the employees' motivation by directly delivering messages when management decisions which exert influence to whole company were made.

Promoting Labor-management Dialogue

Toshiba memory supports the principles of the Universal Declaration of Human Rights, the United Nations Global Compact, and the OECD Guidelines for Multinational Enterprises, and works to ensure that its employees have fundamental labor rights. In the labor agreement concluded with the Toshiba Memory Labor Union, Toshiba Memory stipulates that the Labor Union has the three rights of labor (the right to association, the right to collective bargaining, and the right to act collectively).

At the Toshiba Memory Labor-management Congress held every six months, Toshiba Memory discusses the business policies with representatives of the Association of Toshiba Memory Union in Japan.

Toshiba Memory Group companies overseas hold discussions with their labor unions or employee representatives in accordance with the laws and regulations of the countries in which they operate.

Employee morale survey (TEAM survey) and disclosure of results

Toshiba memory has conducted the employee morale survey (TEAM survey), as a way to gain feedback from employees. Through this survey, we periodically monitor the level of understanding among our employees towards the company's measures, and how widespread this understanding is.

We released a message from our President based on the survey results, and disclosed information about the results, using the survey to create a more open corporate culture.

CSR workplace meetings

We hold CSR workplace meetings, so that managers and the employees they manage can talk and think together, and share feelings and opinions, in order to build a work environment where everyone feels free to discuss any matter.

In FY2017, the theme was "Communication at workplace." Participants discussed difference and misunderstanding which might be caused by lack of communication.

Local communities



<p>Key responsibilities</p>	<ul style="list-style-type: none"> • Stimulating local economies • Respecting different customs and cultures • Engaging in social contribution activities in local communities • Preventing accidents and disasters at business sites
<p>Major means of identifying stakeholders' views and requests</p>	<ul style="list-style-type: none"> • Dialogues, information exchange meetings • Factory visits • Holding summer festivals to promote communication with residents and to revitalize communities • Providing opportunities for community workshops to sell their products • Employees' participation in community activities
<p>Point of contact: Customer</p>	<p>Each business site</p>

Communication Method and Case Study

Environmental communication

We communicate information about our environmental efforts, such as factory visits and on-site classes to elementary schools. This is so that a wide range of stakeholders,

such as the communities around Yokkaichi factory, schools, customers, companies, and students, may learn about Toshiba Memory Group's activities.

Support for Local Communities Developments

For Toshiba Memory Group, it is our responsibility as a good corporate citizen not just to resolve issues faced by local communities through business, but to develop business activities that are rooted in the area such as promoting regional employment and trade with regional companies, as a member of the local community.

Social Contribution Activities

As a good corporate citizen, Toshiba Memory Group is striving to build better relationships with the communities where we conduct operations.

At the eco-charity bazaar that Yokkaichi Operations has been holding since 2007, we reuse unnecessary household goods and donate all profits of the bazaar to the Yokkaichi city greening fund. Our donation has reached a certain amount, and we earned a "Commendation for Contributing to Urban Greening" award from Yokkaichi City in May 2016.

Governments and public bodies



Key responsibilities	<ul style="list-style-type: none"> • Complying with laws and regulations, and paying taxes • Supporting government policies toward solving social issues
Major means of identifying stakeholders' views and requests	<ul style="list-style-type: none"> • Dialogues and proposals via economic associations and industry associations
Point of contact: Customer	Each business site, Business Planning Division

Contribution through Job Creation and Tax Payment

Toshiba Memory Group expands its business around the world. The jobs created contribute to local communities, especially the production facilities that employ a considerable number of local people.

By paying taxes in accordance with national laws and regulations, the group companies and their employees make an economic contribution to the regions where they operate.

Participation in Industry Associations

Toshiba Memory actively participates in the activities of Keidanren (Japan Business Federation), the Japan Electronics and Information Technology Industries Association and other industry organizations to help address various social issues.

NPOs · NGOs



Key responsibilities	<ul style="list-style-type: none"> • Collaborating with and helping to solve global social issues • Collaborating on corporate citizenship
Major means of identifying stakeholders' views and requests	<ul style="list-style-type: none"> • Dialogue through collaboration • Exchange of views at stakeholder dialogues
Point of contact: Customer	Each business site, Business Planning Division

Global environment



Key responsibilities	<ul style="list-style-type: none"> • Mitigating climate change
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	<ul style="list-style-type: none"> • Reducing waste discharges • Reducing release of chemicals • Conserving biodiversity
Major means of identifying stakeholders' views and requests	–
Point of contact: Customer	Environment Planning Promotion Group

CSR Performance

- **Statement of Environmental Philosophy**
- **Current Status of Environmental Impact and Environmental Targets and Outcomes**
- **Environmental Protection System**
- **Contributing to the information-intensive society through our products**
- **Environmental Evaluation by External Parties**
- **Environmental Communication**
- **Biodiversity Preservation**
- **Acquisition of environmental certification**
- **Respect for Human Rights**
- **Fair Evaluation and Talent Development**
- **Diversity Promotion**
- **Occupational Health and Safety**
- **CSR Management in the Supply Chain**
- **Quality Control**
- **Corporate Governance**
- **Risk Management and Compliance**

Statement of Environmental Philosophy (As of July 1, 2017)

Vision

Recognizing Toshiba Group's Basic Policy for the Environment that the Earth is an irreplaceable asset and it is humankind's duty to hand it on to future generations in a sound state, Toshiba Memory Corporation is pursuing creation of new values and symbiosis with the Earth. Also Toshiba Memory Corporation contributes to the development of a sustainable society by promoting environmental activities designed to contribute to the realization of a world that is low-carbon, recycling-based and nature-harmonious.

Policy

Toshiba Memory Corporation considers environmental stewardship to be one of management's primary responsibilities, and promotes environmental activities proactively to reduce the environmental impact in the manufacturing process for NAND flash memory and SSD products from the design stage in harmony with economic activities. Toshiba Memory Corporation strives to take the environment into consideration in its business activities such as development, manufacturing, sales, services, and disposal from life cycle perspective, and aims to contribute to society by supplying products that consider environmental impact, and by realizing energy saving and reduction of resource usage in equipment in which NAND flash memory and SSDs are installed.

1. Compliance and sustainability

1. We position environmental preservation as one of managements' primary responsibilities and are continuously promoting environmental activities in harmony with economic activities.
2. Toshiba Memory Corporation complies with all applicable laws and regulations, industry guidelines it has endorsed, and its own standards concerning the environment.
3. Toshiba Memory Corporation strives to continuously improve and effectively apply its environmental management system through internal audits and reviews

in order to enhance environmental activities level and environmental performances.

2. Execution

Toshiba Memory Corporation strives to assess the environmental impact of its business activities including with regard to biodiversity, set objectives and targets with respect to the reduction of environmental impact, pollution prevention and development of energy saving technologies, and execute proactive environmental measures including the following:

1. We contribute to reducing environmental impact on society through product development according to high capacity, small-sized and resource-saving technologies, environmental assessment of products, and provision of NAND flash memory and SSDs by appropriate control of raw materials and reduction of material usage.;
2. Promoting reduction of our emission of greenhouse gases by developing energy saving technologies, productivity improvements, energy saving measures for power systems and manufacturing equipment, and other effective measures;
3. Contributing to a recycling-based society through efforts to promote 3R (reduce, reuse, recycle) measures proactively along with improving productivity, developing technologies to reduce, reuse or recycle resources used during our manufacturing processes. In terms of efficient water management, we cautiously use water resources withdrawing from the Kiso river water system, and discharge water after effective purification treatment;
4. Promoting risk reduction on environmental issues by appropriately controlling and using chemical substances and developing technologies to effectively reduce the use of certain chemical substances along with making efforts to reduce the total amount of chemical substances released into the environment and the amount of chemical substances treated;
5. In order to preserve biodiversity, Toshiba Memory Corporation strives to assess and mitigate the environmental impact of its business activities on biodiversity and seeks to make a better contribution to society;
6. Facilitating mutual understanding with stakeholders by disclosing information through public relations, exhibitions, and mass-media regarding NAND flash

memory and SSD products from the energy-saving viewpoint, and collaborating with local communities and society at large;

7. Striving to enhance the awareness of employees with respect to environmental management, and considering the environment in business activities and processes throughout the Toshiba Memory Corporation.

Toshiba Memory Corporation discloses this Statement of Environmental Philosophy to the public, promotes awareness of this Statement of Environmental Philosophy throughout Toshiba Memory Corporation, and promotes its business activities according to this Statement.

Revised on July 1, 2017

Yasuo Naruke
President,
Toshiba Memory Corporation

Current Status of Environmental Impact and Environmental Targets and Outcomes

Current Status of Environmental Impact

The following tables show the environmental impact (material balance) of manufacturing activities at Toshiba Memory Corporation. For details of the environmental impact of Yokkaichi Operations and its environmental activities, see "2017 Yokkaichi Operations Environmental Report".

Input

		FY2013	FY2014	FY2015	FY2016	FY2017
Chemicals*	ton	41,924	39,141	40,276	43,407	44,974
City water	thousand m ³	27	31	41	42	60
Industrial water	thousand m ³	11,998	12,590	13,712	14,370	16,879

* Chemicals which are targeted for reduction

Output

		FY2013	FY2014	FY2015	FY2016	FY2017
Green house gas	thousand ton CO ₂	901	994	1,241	1,404	1,726
Chemicals*	ton	395	497	623	689	701
Waste	ton	57,659	56,721	57,612	63,289	70,075
Waste water	thousand m ³	10,017	10,767	11,403	12,554	13,590
NO _x	ton	15.3	17.2	17.2	19.8	21.5
SO _x	ton	0	0	0	0	0

* Chemicals which are targeted for reduction

Targets and Outcomes

Toshiba Memory Corporation promotes business activities that contribute to the sustainability of society by setting environmental targets and objectives. The following table summarizes the environmental targets of Toshiba Memory Corporation for FY2017, their achievement status, and the targets for FY2018. We met the environmental targets in FY2017 except for two wastes generation targets due to increase of chemical solutions usage and wastewater sludge discharge in association with production increase.

From FY2018, we adopted “environmental impacts per unit of GB (gigabyte) basis” as our intensity targets, excluding the Reduction of CO₂ emissions from energy sources.

Accompanying its plan for business (production line) expansion, the environmental impact of Toshiba Memory Corporation is expected to increase in 2018 compared with the previous year, we will continue to undertake cross-functional and innovative environmental initiatives.

Environmental targets and objectives		FY2017 Target	FY2017 Result	FY2017 Achievement Status	FY2018 Target
Development of products that consider to reduce the environmental impact of society	Reducing the environmental impact of production processes through miniaturization of devices	3 or more measures per year	3 measures	○	3 or more measures per year
Mitigation of global warming	Reduction of CO ₂ emissions from energy sources	≥ 9,636 t-CO ₂	12,096 t-CO₂	○	≥ 18,501 t-CO ₂
	PFC emissions	≤ 411 kt-CO ₂	343 kt-CO₂	○	≤ 4,390 t-CO ₂ per unit of billion GB
Promoting efficient use of resources	Total amount of waste generated minus amount of valuable waste	≤ 41.8 kt	41.9 kt	×	≤ 491 t per unit of billion GB
	Total waste generated	≤ 67.8 kt	70.1 kt	×	≤ 892 t per unit of billion GB

	Water intake	≤ 18,090 km ³	16,648 Km³	○	≤ 199 km ³ per unit of billion GB
Reduction of environmental risk	Emissions of chemical substances to air and water (total amount)	≤ 922 t	687 t	○	≤ 5.95 t per unit of billion GB
Biodiversity conservation	Biodiversity conservation	Periodic monitoring of indicator species	Periodic monitoring of indicator species	○	Periodic monitoring of indicator species
Promotion of environmental communication	Social communication	Charity eco bazaars, collection of recyclable wastes, donations, etc.	Held charity bazaars, collected recyclable garbage, made donations, etc.	○	Charity bazaars, collection of recyclable garbage, donations, etc.
	Community communication	Local communication	Communicated with local people (e.g., meetings with local residents' associations)	○	Local communication
Raising environmental consciousness	Raising environmental consciousness	Measures for raising consciousness	Held consciousness-raising programs (e.g., monthly environmental events)	○	Consciousness-raising programs

(○ : Achieved × : Not achieved, t : ton, k : thousand, GB : gigabyte)

Environmental Protection System

Monitoring System

1. Items specified by laws and regulations

In each manufacturing operations of Toshiba Memory Corporation introduces automatic analyzers performing around-the-clock monitoring of wastewater and waste gas for nitrogen oxide (NO_x), sulfur oxide (SO_x), total nitrogen (T-N), total phosphorus (T-P), chemical oxygen demand (COD), suspended solids (SS), fluorine, and power of hydrogen (pH). Other items are monitored by samplings.

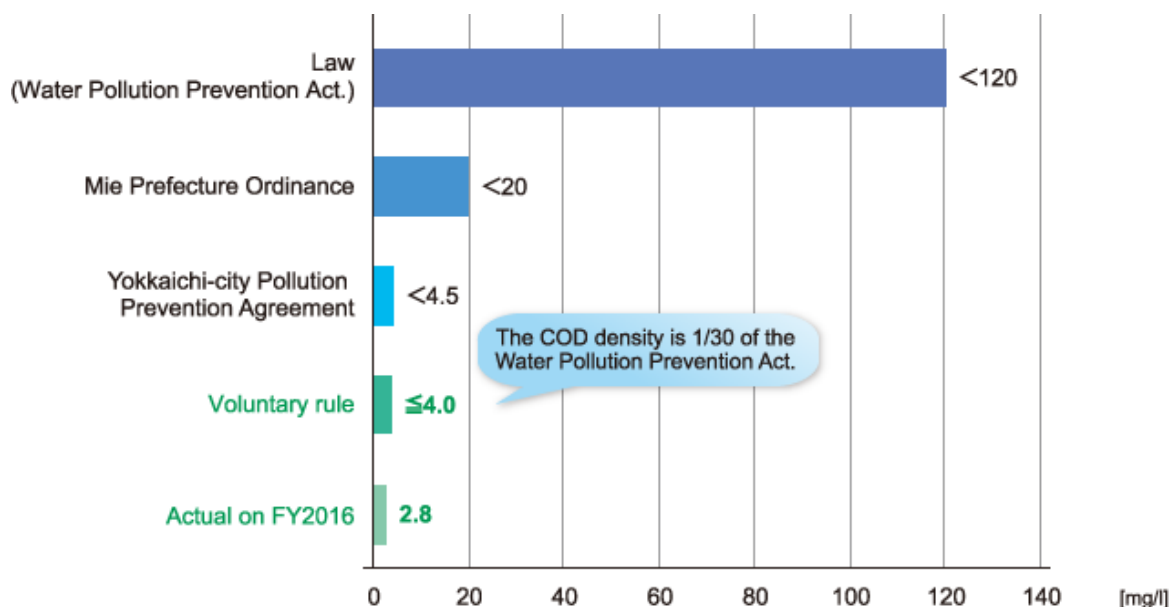
2. Analysis Center

We analyze approximately 27,500 items of wastewater and waste gas per year at the Analysis Center in Yokkaichi Operations.

Wastewater voluntary rules

We ordinarily manage the water and gas which Yokkaichi Operations discharges under our strict voluntary rules to ensure compliance with Laws and regulations.

Positioning of COD voluntary rule



Introduction of environmental-related facilities

In order to prevent contamination with chemical substances and reduce contamination risks, we, Toshiba Memory Corporation, established the Structural Design Guidelines to prevent leaks of chemicals at environment-related facilities.

Examples

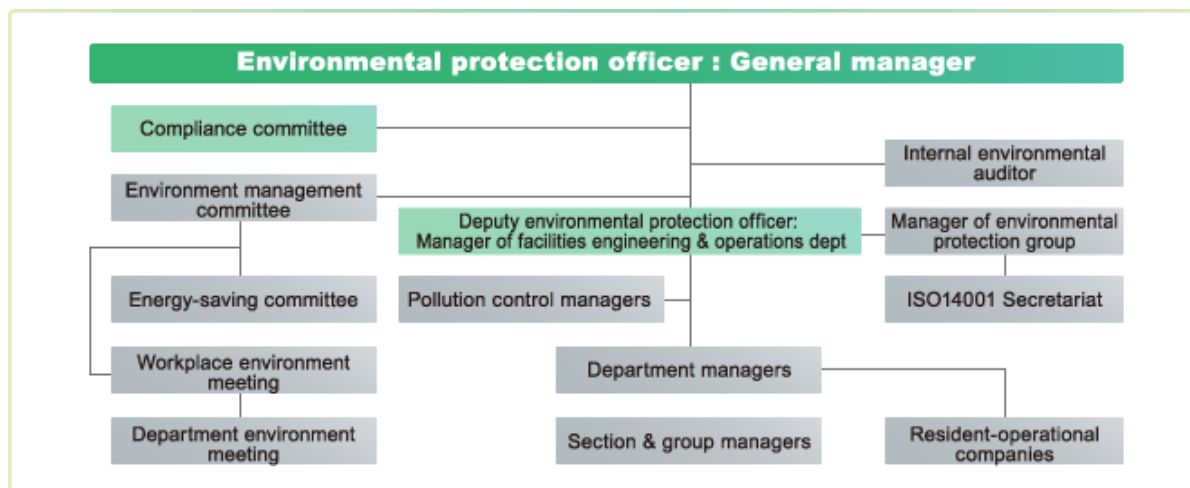


Environmental Preservation System

To promote environmental preservation activities continually and efficiently, in each manufacturing site of Toshiba Memory Corporation, we have established an environmental preservation system with the General Manager in the highest position, and have defined responsibilities and authorities clearly. An Environment Management Committee is deliberative organ on environmental preservation, for discussing the entire spectrum of environmental activities including environmental management system, environmental policy, environmental objectives and the like.

We have established a Compliance Committee, to supervise compliance with environmental laws and ordinances, in order to ensure full compliance.

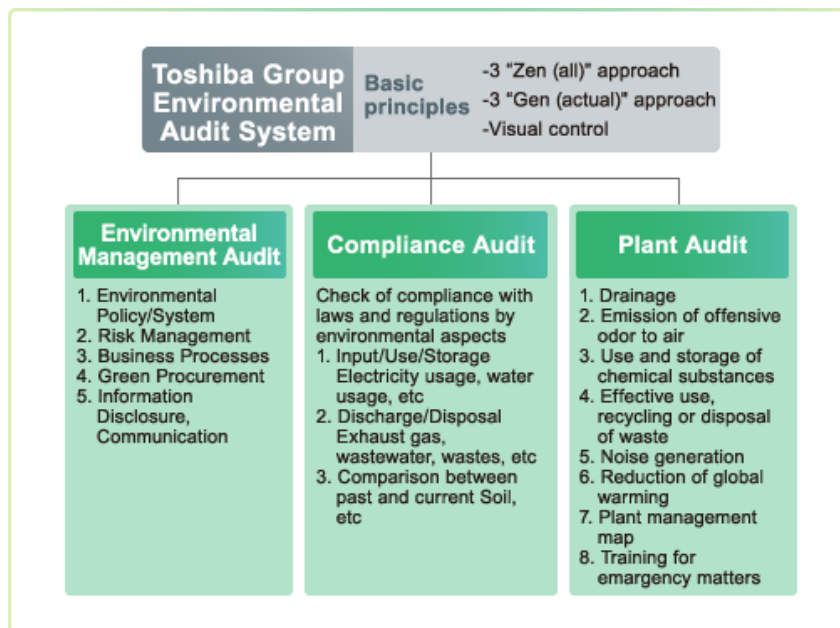
Environmental Preservation System



Toshiba Group Environmental Audit System

Since 1993, the Toshiba Group has been conducting regular environmental audits covering its sites annually, through its proprietary Toshiba Group Environmental Audit system. An audit team consisting of qualified internal members conducts this audit for 2 days, based on the following principles: 3 “Zen (all)” approach, 3 “Gen (actual)” approach, and visual control (management to watch and show) approach. The audit items cover 1) environmental management, 2) legal compliance and 3) plant management, or more specifically, workplace management at 19 facilities e.g. checks of wastewater treatment equipment, recycling, and chemicals warehouses and facilities that use chemicals, effectiveness of emergency drills, compliance, measurement control of legally controlled substances, 4S (sorting, straightening-up, sanitation, and sweeping) approach, implementation status of employee education, etc. Every year, in each manufacturing site of Toshiba Memory Corporation, we conduct a Toshiba Group Environmental Audit. With an emphasis on workplace management, the auditors examine achievement levels of energy saving, reduction of chemical substance emissions, reduction of waste, etc.

Toshiba Group Environmental Audit System Diagram



Contributing to the information-intensive society through our products

The semiconductor memory and solid-state drives (SSDs) that Toshiba Memory supplies are integrated into a wide range of products and used throughout society. For example, smartphones and cars use semiconductor memory, while data centers employ SSDs to store large volumes of cloud data. SSDs are also found in tablet computers. All of these are essential to our daily lives.

By increasing the speed and capacity of semiconductor memory and SSDs, Toshiba Memory continues to contribute to reducing energy consumption, and saving resources for products where such memory and SSDs are utilized.

Examples of fields that Toshiba Memory products contribute to



Product Case Studies: Three-dimensional (3D) flash memory BiCS FLASH™

With the recent data explosion, the capacity of storage systems mainly in data centers has been rapidly increasing. In response, in 2007 Toshiba Memory devised a world-first* 3D-layer structure for flash memory that was expected to sharply increase capacity. Further development of it led to a product called BiCS FLASH™ 3D flash memory.

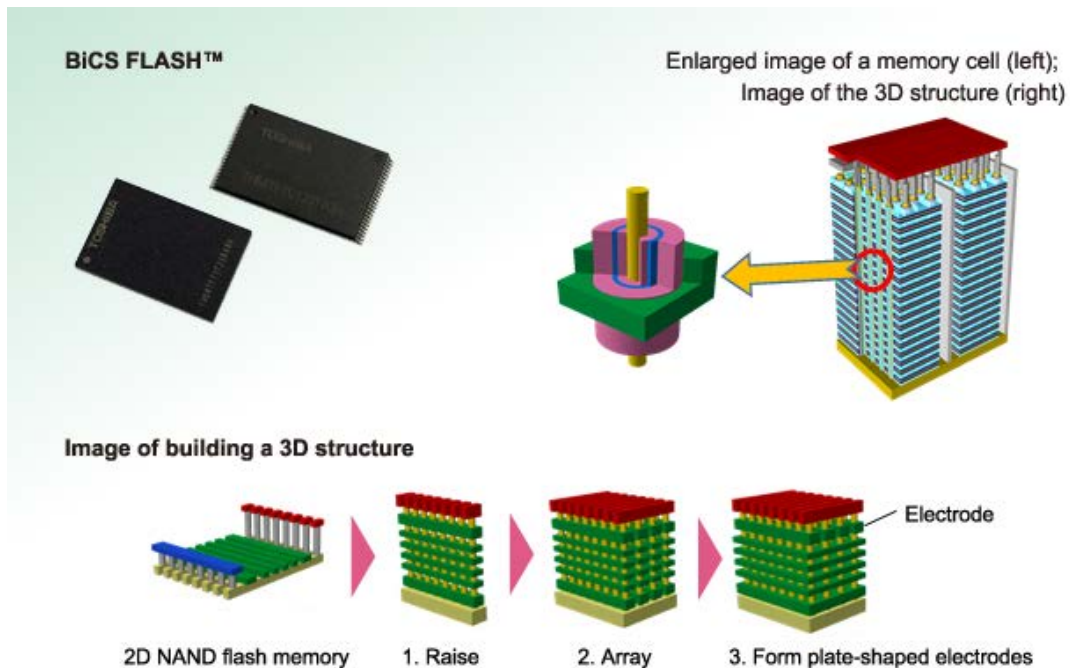
* https://www.toshiba.co.jp/about/press/2015_03/pr2601.htm

BiCS FLASH™ is flash memory with a new structure in which cells are vertically stacked. Previously, technologies used for NAND flash memory were advanced in the direction of fine processing. This means the spaces between cells in a memory chip were narrowed to reduce their size as well as increased the bit capacity per memory cell, where many pieces of information are put in one cell. If NAND flash memory is compared to a house, fine processing creates as many rooms (cells) in the same land area as possible by reducing the size of each room, while increasing the bit capacity per memory cell puts many people (information) in the room. In this case, however, the smaller the room, the closer to the neighbor, which poses a risk that the noise in the next room may be heard or people may overflow due to the room being too small. This is also same as inside the memory chip. When the cell is too small, an error is likely to occur due to interference between the electrons that serve as data.

In contrast, stacking is a 3D flash memory technology for achieving greater storage capacity that can replace fine processing, which is considered to be approaching its limit for conventional NAND flash memory. A useful analogy is building a multilevel condominium on the same land area, instead of a house. Multi-layering increases the number of cells that can occupy the same floor area, allowing the package to hold more information. In addition, stacking cells vertically creates spaces in the horizontal direction, significantly reducing interference between electrons and enabling high-speed data processing.

Thanks to its improved read/write speed, BiCS FLASH™ requires less power to process the same amount of data compared to conventional NAND flash memory. Also, increasing the memory capacity per chip by boosting the number of stacked cells will result in resource saving. In this way, BiCS FLASH™ contributes to increase capacity,

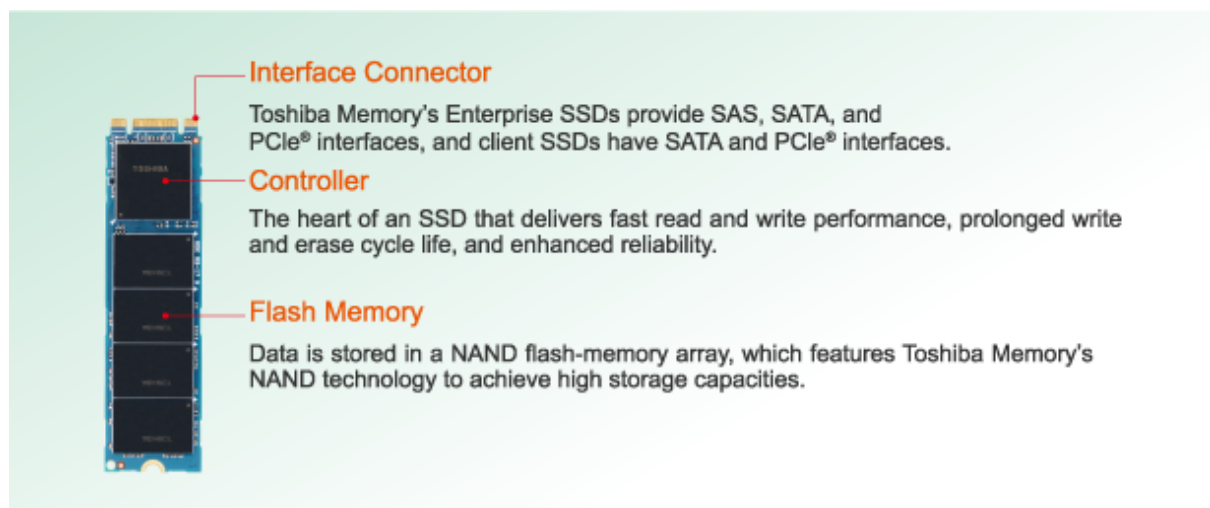
and reduce space for storage products in which it is installed. Its 96-layer product has approximately 1.4 times the memory capacity per unit area of the previous generation (64-layer) owing to further optimization of the circuit technology and process.



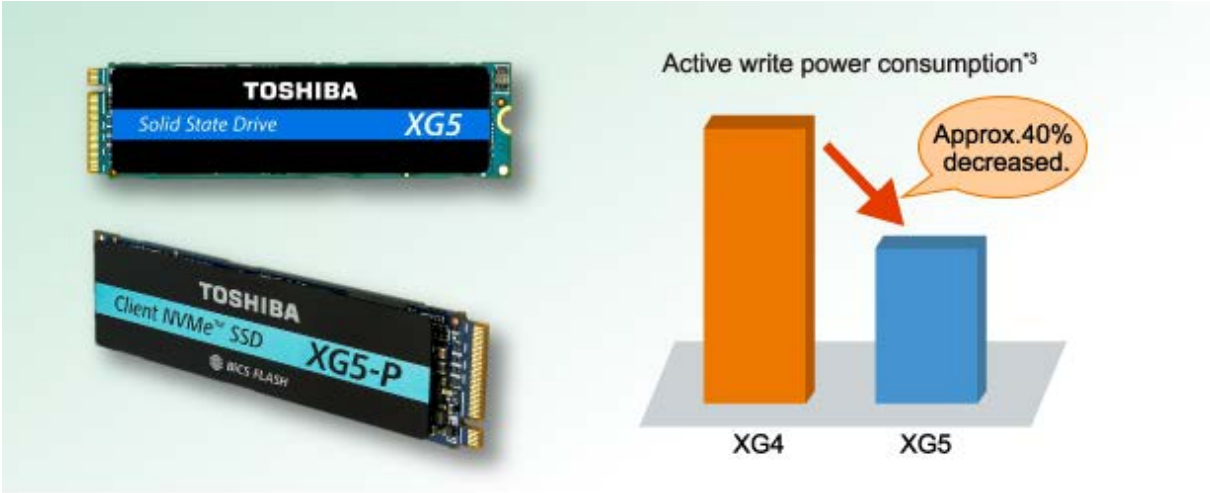
Product Case Studies: SSD (Solid State Drive)

SSD is a storage product that uses semiconductor memory (NAND flash memory) as a storage element. Since an SSD has no mechanical moving parts, it is superior to an HDD in terms of data read/write performance, resistance to shock and vibration and quiet operation. It also has superior power consumption in standby mode.

Structure of an SSD



The XG5 series of client SSDs are NVMe Express™ (NVMe™) SSDs equipped with 64-layer, 3-bit-per-cell TLC (triple-level cell) BiCS FLASH™ with a maximum capacity of 1,024 GB*1. These SSDs deliver 3,000 MB/s sequential read*2 and 2,100 MB/s sequential write*2. They are also more efficient than the previous XG4 series (installed 2D NAND), and reduce active write power consumption by 40%*3. These features enable devices that integrate them to be more power efficient, smaller and lighter.



*1 Definition of capacity: Toshiba Memory defines a gigabyte (GB) as 1,000,000,000 bytes. Some computer operating systems, however, report storage capacity using powers of 2 for the definition of 1 GB = 230 bytes = 1,073,741,824 bytes and therefore shows less storage capacity. Available storage capacity will vary based on file size, formatting, settings, software and operating system, or other factors. Actual formatted capacity may vary.

*2 Toshiba Memory survey based on sequential read and write speeds of 128KiB units, using 1,024GB models under Toshiba Memory test conditions. Read and write speed may vary, depending on the host device, read and write conditions, and file size. Toshiba Memory defines a megabyte (MB) as 1,000,000 bytes and a kibibyte (KiB) as 210 bytes, or 1,024 bytes.

*3 It is a comparison of typical active write power. Toshiba Memory survey, using 1,024 GB models under Toshiba Memory test conditions.

[Note]

PCIe® is a registered trademark of PCI-SIG.

NVMe™ and NVMe Express™ are trademarks of NVMe Express, Inc.

Other product names and services listed in the above may be used as trademarks or registered trademarks by the respective companies.

Environmental Evaluation by External Parties

Toshiba Memory Corporation's history of awards is introduced below.

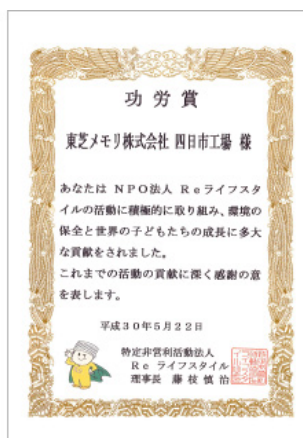
Received the "Award for Distinguished Service" from Re-Lifestyle (NPO) (FY2018)

Toshiba Memory Yokkaichi Operations received the "Award for Distinguished Service" from Re-Lifestyle (NPO), an organization engaging in the PET-bottle cap collection business, in May 2018.

With 500 PET bottle caps, one person can receive a polio vaccine. At the Yokkaichi Operations, they have collected and donated over one million PET bottle caps.

Toshiba Environmental Solutions Corporation cooperates in collecting PET bottle caps at the Yokkaichi Operations, and Toshiba Logistics Corporation cooperates in delivering the caps to Re-Lifestyle, which is located in Kanagawa Prefecture.

With the aim of contributing to the growth of children around the world, the entire Yokkaichi Operations will continue these activities into the future.



Receiving the METI Minister's Award at the Fiscal 2014 Circular Resource Techniques and Systems Awards

Toshiba Memory Yokkaichi Operations, AGC Inc., and Organo Corporation received the METI Minister's Award at the Fiscal 2014 Circular Resource Techniques and Systems Awards hosted by the Resources Recycling Promotion Center of JEMAI.

The "Collection and Recycling of Artificial Fluorite from Fluoric Acid Waste Liquid" project, conducted jointly by the three companies, gained a high evaluation from the perspective of effectively using recycled resources. This is what led to the award. Organo Corporation's fluorine recovery facility (crystallizer) recycles fluoric acid in wastewater from the Yokkaichi Operations into high-purity crystalline artificial fluorite. This acid is used as an etching solution for semiconductors at Yokkaichi. AGC's Chiba Plant then purchases this valuable raw material to make its own fluoric acid. The amount of collected artificial fluorite is sufficient for use on a practical scale. The project began in April 2011 and remains in good shape.



* The idea behind the Circular Resource Techniques and Systems Award is to promote recycling business by inviting applications from across industry. Businesses and initiatives that earn awards are those demonstrating sophisticated technologies and advanced systems that contribute to reducing waste, reusing used articles, and recycling recycled resources, thereby helping to promote and expand such businesses and initiatives.

Receiving the Chairman's Award in the Fiscal 2014 Awards for Distinguished Services in Promoting 3R

Toshiba Memory Yokkaichi Operations received the Chairman's Award in the Fiscal 2014 Awards for Distinguished Services in Promoting 3R recognizing the activities of all participants. The 3R Promotion Council has hosted the event for two consecutive years, beginning last year.



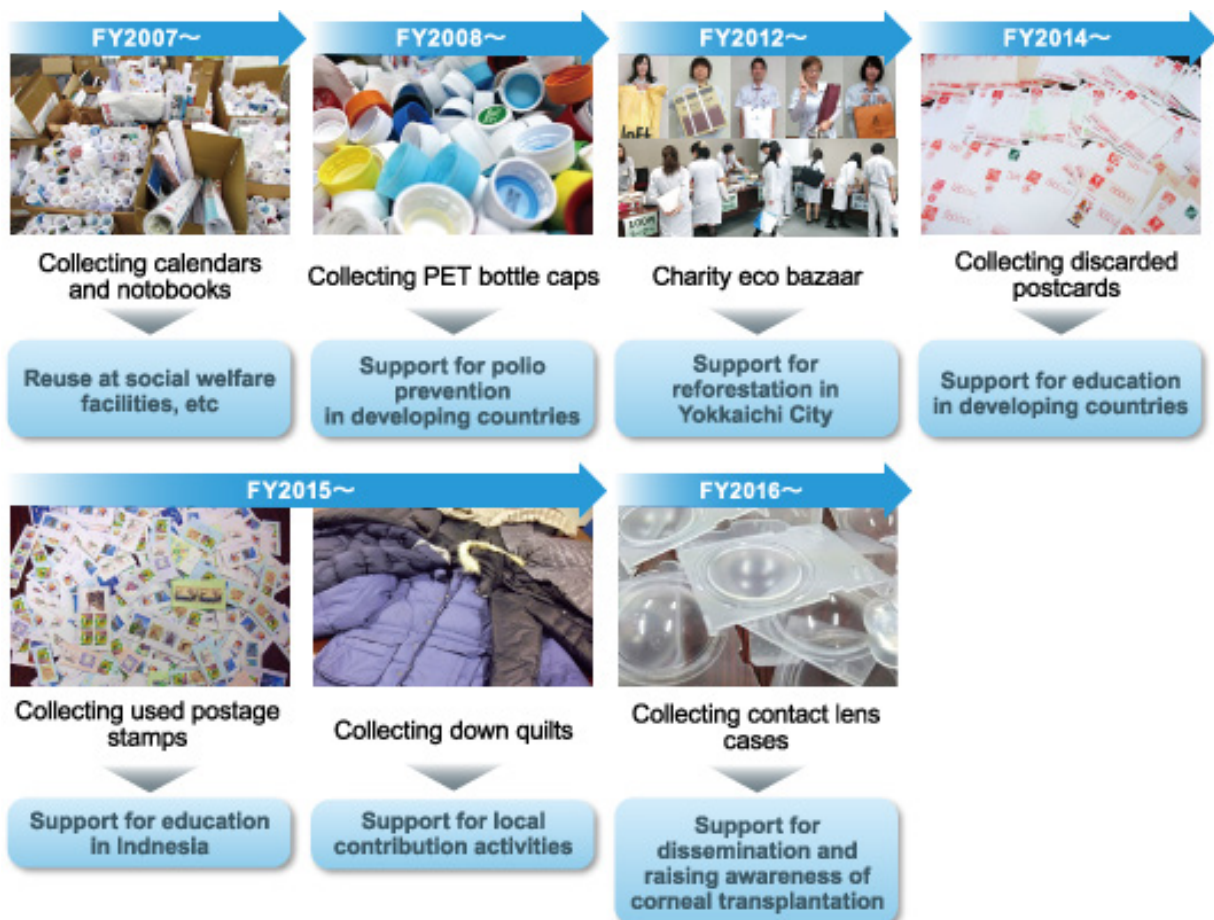
Despite the increasing trend of waste generation in proportion to the increase in production, the Yokkaichi Operations has been able to reduce the waste generated per

unit of production. This is achieved by taking upstream measures such as reducing the amount of chemicals used, and leveraging collection technologies such as collecting wastewater at each individual stage. In addition, for generated waste, the Operations are actively promoting recycling that centers on material recycling (promoting the conversion of waste into recyclable materials) and reusing waste liquids. As a result, the total waste output has fallen dramatically per unit of memory capacity, which has led to a significant reduction in total waste discharged.

Environmental Communication

Toshiba Memory Corporation's flagship factory, Yokkaichi Operations, is responsible for social contribution activities and its environmental measures. Currently, activities as outlined below include employees and resident suppliers. One of the employees' favorite event is the "charity eco bazaar". Goods are donated to the bazaar that can be recycled and all proceeds are donated to the tree planting fund in Yokkaichi City.

In future, we will continue to promote environmental activities that contribute to the world, and raise a sense of belonging by employees as well as increase environmental awareness.





Charity Eco Bazaar

Biodiversity Preservation

Planting flowers

In Yokkaichi Operations, we are promoting the flower project to fill our factory with flowers for improving environmental consciousness, for improve our factory's image, or for creating a healing space.

In 2017, a kickoff event of this project was held in our factory, in which the general manager and many employees were participated.



Flower project kickoff event

Acquisition of environmental certification

In March 2018, Toshiba Memory Corporation obtained ISO 14001:2015 certification, an international standard for an integrated environmental management system encompassing all business processes.

Toshiba Memory Corporation will continue to actively promote the development of energy-efficient products that address the needs for an exponentially increasing volume of data; environmental conservation activities at its state-of-the-art fabs; environmental communication taking regional characteristics into consideration; and biodiversity conservation activities.

Acquisition of ISO14001 certification

Scope of certification	Certified body	Registration date	Approval certificate No.
Toshiba Memory Corporation Head Office	JACO: Japan Audit and Certification Organization for Environment and Quality	28/Mar/2018	EC17J0025
Yokkaichi Operations			

Acquisition of Sony Green Partner

MC Name / FC Name	Expiry Date	Factory Code
Toshiba Memory Corporation Yokkaichi Operations	31/Mar/2019	FC007421

Respect for Human Rights

Toshiba Memory Group has established Standards of Conduct as a set of values that should be shared by all its employees to achieve our Basic Commitment and Vision. In accordance with one of the Standards—Integrity (always work on tasks with integrity, justice, and fairness)—we commit to respecting human rights.

Policy and Framework for Respect for Human Rights

It is the fundamental assumption that a company conducting business in the international community understands the culture of respective countries and regions as well as diverse values, and respects the basic rights of people. Toshiba Memory Group promotes activities with reference to ISO26000, which is an international standard concerning the social responsibilities of organizations.

As the promotion framework, we arranged a staff responsible for human rights enlightenment within the Human Resources and General Affairs Department of Toshiba Memory Corporation. The staff regularly participates in internal and external lectures to obtain the latest social trends.

- [Toshiba Memory Group Standards of Conduct 1. Human Rights](#)

Identification of Human Rights Risks

In FY2017, Toshiba Memory Group created a risk map for the value chain based on ISO26000 to identify human rights risks in business activities.

Also, we will enhance our efforts to monitor the implementation of human rights initiatives, we will perform CSR surveys targeting both Toshiba Memory Group companies and our suppliers, and Conflict Minerals surveys.

- [CSR Materialities and Goals](#)

Education and Enlightenment on Respect for Human Rights

We provide trainings on human rights at the time of hire and employees get appointed to managerial positions.

Establishment of Whistleblower System and Consulting Service

Whistleblower System "Risk Hotline" for Employees

Toshiba Memory Group established a whistleblower system "Risk Hotline" to collect internal information via email and telephone on Toshiba Group Standards of Conduct violations, particularly those concerning laws and regulations, and to deal with wrongdoing. Under this system, an employee can report an incident and seek advice. Employees are protected from retaliation and must not be treated disadvantageously on the grounds that they provided such information.

- [Whistleblower System](#)

Consulting Services "Employee Consultation Room"

Toshiba Memory Group established an "Employee Consultation Room," where employees can get individual advice. Employees can anonymously consult full-time counselors on workplace culture and interpersonal relations, personnel moves, sexual harassment, or bullying, etc. by phone, FAX, e-mail, or letter. One male and one female counselor address employee concerns together to create an inclusive and comfortable working environment.

Fair Evaluation and Talent Development

Toshiba Memory Group is working to create an open corporate culture that serves as a basis for such management. To encourage diverse employees to exercise their respective capabilities, we have established fair evaluation systems and seek to develop and deploy talents to the greatest extent.

Policy on Fair Evaluation and Talent Development

For Toshiba Memory Group to survive global competition, we need energetic, creative people. We will strengthen our training system to develop talent so that each of our employee can exercise its ability.

Training System for Talent Development

Training Programs

Toshiba Memory Group has various training systems to help form a common ground of understanding among employees, and programs based on requirements at each career level.

Main Training Programs

Training Category	Outline
Basic Training and Development	A program that is designed to teach employees about the actions and values that form the shared basis for all members of the Toshiba Memory Group, such as compliance education and Liberal Arts Training. * Liberal Arts develop intellectual capabilities and techniques to deepen understanding in various subjects.
Global Training and Development	A program that seeks to develop global-minded people who can not only perform the jobs within the scope of their countries or regions, but at a global level, by accepting cross-cultural differences and communicating with a wide range of stakeholders. The program also

	aims to teach the skills that allow people to succeed globally.
Training and Development based on Levels of Responsibility	A program that seeks to improve basic knowledge, skills, and management capabilities required for employees assigned to a new position (leader, manager, etc.). This program also includes training to continuously improve the management capabilities required of managers, as well as education aimed at acquiring at an early stage knowledge and skills required for global business.
Job-type based Training and Development	Aims to equip employees, based on their career stages, with knowledge and skills required for different job functions.
経営人材教育	Training program for the select group of individuals who are candidates to take up managerial/leadership positions. The training is held for senior management as well.

Using Full-fledged Career Development Systems

Toshiba Memory Group supports the career development of each employee in an effort to maximize his/her current and future job performance.

The Career Design System, for example, provides each employee with an annual opportunity to discuss and share their views on long-term career development plans as well as on mid-term goals for skill acquisition, improvement, and the way to utilize such skills with their superiors. Performance Management System gives each employee a semi-annual opportunity to review and discuss with their superiors their job performance over the past six months as well as their job objectives for the next six months.

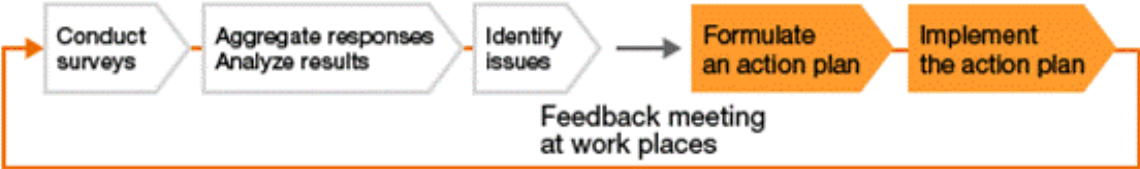
Employee Morale Survey

Toshiba Memory Group has conducted the TEAM Survey for the purpose of soliciting the opinions of employees. Through the survey, we periodically monitor the level of employee awareness of various measures and how far they have propagated into the

organization. Where issues are identified, we seek to resolve them, applying the results to improve the corporate culture.

In FY2017, we conducted an anonymous survey targeting about 8,741 employees, and received responses from approximately 94% of the employees.

TEAM survey execution cycle (annual)



Diversity Promotion

The maximization of the capabilities and strengths of diverse employees is critical for active innovation and corporate growth. Based on this belief, the Toshiba Memory Group has positioned the promotion of diversity as one of its integral management policy visions.

Policy on Diversity Promotion and Management Structure

Toshiba Memory Group promotes diversity to quickly respond to the business environment and market needs that continue to diversify. We are endeavoring to create a culture that enables a diverse range of employees to play active roles irrespective of gender, nationality, or whether they live with a disability.

We are positioning Toshiba Memory's Human Resources and Administration Division as the promoting organization, which will work on advancing diversity measures as a general human resources matter.

Promoting the Career Development of Female Employees

Toshiba Memory Group is promoting various ways for female employees to succeed at work. In FY2017, we tracked the progress of training for female manager candidates, and conducted training to raise awareness about the program for managers and workers.

Main data concerning promoting the career development of female employees, Toshiba Memory

Item	Actual
Percentage of female managers ^{※1}	3%
Percentage of female officers ^{※1}	0%
Percentage of female recruits ^{※2}	_ ^{※3}
Percentage of female employees ^{※1}	Male 92%、Female 8%
Average length of service years ^{※3}	All 17.2 years (Male 17.5 years, Female 13.6 years)

*1 As of April 1, 2017

*2 New graduate employees as of April 1, 2017

*3 Recruitment of new university graduates at TMC to start work in April 2017 has been canceled.

Recruiting More Non-Japanese Employees and Utilizing Them Effectively

As part of our diversity promotion program, we are increasing the recruitment of non-Japanese employees.

In addition to employing people who have studied in Japan as foreign exchange students, we have been carrying out our Global Recruitment Program in an effort to directly recruit students graduating from foreign universities.

Employment of People with Disabilities

As of April 1, 2018, the percentage of employees with disabilities has become 1.46% in Toshiba Memory.

Activity Example: Sign language club

Toshiba Memory Group provides employees with a monthly sign language lesson, Toshiba Sign Language Club. At the club, employees with impaired hearing serve as instructors, teaching sign language to facilitate smooth communication and providing information to promote understanding of hearing disabilities.

Promoting Work-Life Balance

Toshiba Memory is striving to enhance our employees' work-life balance.

At Toshiba Memory Group companies, each employee promotes activities to increase productivity by changing their working styles and methods.

Reduction of Working Hours and Consideration of Working Hours

In Toshiba Memory, the average total number of annual actual working hours per employee was 2,068 hours, and the average number of annual non-scheduled working hours per employee was 215 hours in FY2017.

Toshiba Memory Group is making the transition to a style of work that does not depend on overtime work. The purpose is to better utilize our diverse workforce and to promote a good work-life balance.

Key systems and measures concerning working hours in FY2017, Toshiba Memory

System/measure	Overview
Flexible work system	Flextime system
Long Leave System	Employee can avail of a maximum of 20-day accumulated leaves for clear and meaningful objectives, such as self-development, social contribution activities, nursing, and also for treatment of non-occupational injuries and diseases, and other conditions including infertility.
"Family Day" initiatives and days set to leave the office at normal quitting time	In order to accelerate WSI and create time for employees to spend with their families, employees are prompted to leave work at the official quitting time at least two days during Japan's "Family Week" in November. Special announcements and after-hour patrols will be made to promote awareness during such days.
Annual Paid Vacation	For the employees' rejuvenation, Toshiba Memory has been facilitating the planned use of annual paid vacation.
Making working hours visible	Toshiba Memory has introduced systems such as "Monitoring Display of Office-Stay Hours", "Work Record Notification", and "Work Record Display" to increase transparency of working hours.
Addressing long working hours at workplaces	We implement measures in various divisions and business sites to address the problem of long working hours, and publish case examples on our intranet site to spread good practice among departments (e.g. declaring target time (time of leaving work),

	forbidding employees from coming to work on Sundays in principle, banning late-night overtime in principle, setting "focus hours," and banning meetings outside normal working hours in principle).
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Activity Example: Use of the system to make working hours visible

In order to effectively monitor the working conditions of our employees, Toshiba Memory Group launched a system that allows employees to visually monitor working hours on their computers. We also started using the systems called Work Record Notification and Work Record Display in order to ensure for employees and their superiors to pay constant attention to work hours.

The Work Record Notification system automatically sends an e-mail to each employee and their superior on the work record of the employee. The Work Record Display system indicates each employee's current work status with three signal colors (red, yellow, and green) to draw attention to overtime work hours.

Supporting employees in balancing work with childcare/nursing care

Toshiba Memory Group has been supporting employees to balance their work and personal life. We have implemented various measures and systems that surpass the legal obligations, and continue to make them more adaptable and flexible. Under our Hourly-Unit Annual Leave system, employees can take leave on a quarter-hourly basis instead of hourly when they take leave exceeding an hour.

The Major Supporting Systems for Employees' Work and Childcare (FY 2017, Toshiba Memory)

	System		Toshiba system	As required by law
Childbirth/Child-rearing	Childcare leave	Period	Until the end of the <u>month in which the child turns 3 years old</u>	Up to 1 year old except when certain requirements

				are met
		Number of times	Up to three times per child	Up to once per child
	Paternity leave		Up to 5 paid holidays (100%) consecutively or separately, within 6 weeks of the birth	—
	Short-time shift	Target	<u>Employees who are raising children who have not yet completed elementary school</u>	<u>Employees who are raising children under three years old</u>
		Others	1) No limits to the number of times one can apply 2) Possible to combine with the flextime system 3) Can be set in 15-minute units	—
	Hourly leave system		Leave is available in 1-hour units. If more than one hour is taken at a time, however, employees may take leave in 15-minute units for those over an hour.	—
Family care	Family care leave	Up to 365 days in total per person requiring nursing care	Up to 93 days in total per person requiring nursing care	
	Hourly leave system	Leave is available in	—	

			1-hour units. If more than one hour is taken a time, however, employees may take leave in 15-minute units for those over an hour.	
Returning to work	Subsidies for expenses	Allowance for raising the next generation	To be provided to each eligible child (The child being taken care of by the spouse of the applicant, who works for the other company, is also eligible for the allowance.)	
		Welfare system "Teatime"	For child-rearing, nursing care, and the purchase of company products, points will be worth 1.2 to 1.5 times the value of normal points.	
	Mutual understanding program		The program offers the opportunity for employees to discuss future career plans and any necessary arrangements with their superior and HR personnel before taking a leave of absence or after resuming work, thus helping to reduce concerns of the employees who take such leaves.	
	Reemployment system (return to work system)		Established a system to reemploy employees who had to resign for the following reasons: 1) Resignation in order to accompany a spouse who has been transferred (within 5 years) 2) Resignation in order to provide nursing care for those requiring nursing (within 3 years) 3) Resignation for childbirth, childcare, and raising children (within 3 years)	

Toshiba Corporate Pension Plan

For our employees' lives after retirement, we have the Toshiba Corporate Pension Plan (defined benefit plan), in addition to their old-age pension from Japan's welfare pension insurance scheme. In October 2015, we also introduced a defined contribution pension, in order to improve employees' post-retirement funds still more.

Teatime, a selective welfare system

Toshiba Memory offers a selective welfare system called "Teatime" under which employees can make choices according to their needs and receive subsidiaries from a wide range of welfare benefits. The system also covers support for childcare and nursing care, including costs for day-care centers, child-rearing, education, and nursing care.

* We stopped providing welfare benefits in FY2017, restarted from FY2018.

Occupational Health and Safety

It is vital for each and every employee to maintain and strengthen both his or her mental and physical health in order to shine and flourish professionally. This, in turn, is only possible in a safe and comfortable work environment. Toshiba Memory Group supports employees' OHS*.

* In this section, "Occupational Health and Safety" is abbreviated to "OHS"

Policy on OHS

The Toshiba Memory Group OHS Management Policy was established in April 2017 in response to the declaration of commitment to OHS by the top management with a goal of all employees sharing the commitment.

Toshiba Memory OHS Policy

Toshiba Memory OHS Policy

Toshiba Memory Corporation is a global enterprise active in businesses centering on the development, prototyping, manufacture, and other areas of memory semiconductor products, with a focus on NAND flash memory. We conduct all activities according to the Basic Commitment of the Toshiba Group and our corporate philosophy, "Committed to People, Committed to the Future," and extend full respect to the culture and customs of the societies in which we operate. In our business conduct, we place the highest priority on human life, safety and legal compliance, and throughout our operations in our company, we endeavor to create safe and healthy workplace environments.

1. We position OHS as one of the most important issues for management, and strive to prevent occupational injury and disease in the workplace and continually improve OHS management.
2. We comply with legally mandated requirements as well as with other standards that relate to the Toshiba Group's OHS code.

3. We set objectives and targets and act decisively to:

1) Eradicate occupational accidents and disease in the workplace, and take measures to extract and mitigate risks (human elements, human characteristics, physical factors, chemical factors) that may cause such accidents and disease, including

i. Stationary and non-stationary risks involved in the overall operational processes
ii. Risks associated with introducing, improving, maintaining, etc. equipment
iii. Chemical dangers and toxicity risk
iv. Confirming the effectiveness of actions against residual risks (management risk, in particular) through continual evaluation, monitoring and measurement, and ensuring we have the maintain capacity to do so.

v. Risks attributable to the construction and startup work arising from the expansion of clean rooms

vi. Raising safety awareness to improve awareness to risk locations as well as safety-oriented behaviors and activities outside the office and during business trips, and toward building a safety culture that encourages people to pay attention to each other.

2) Develop measures to mitigate the risk of accidents attributable to critical factors such as traffic at-fault accidents and two-wheeler traffic accidents

3) Ensure that all employees demonstrate their abilities.

4. We expect our suppliers and subcontractors to promote OHS in order to ensure the safety and health of everyone involved in Toshiba Memory Group's business.

5. We proactively disclose our commitment to OHS and the results we achieve to contribute to improving the standards of OHS management across society in general.

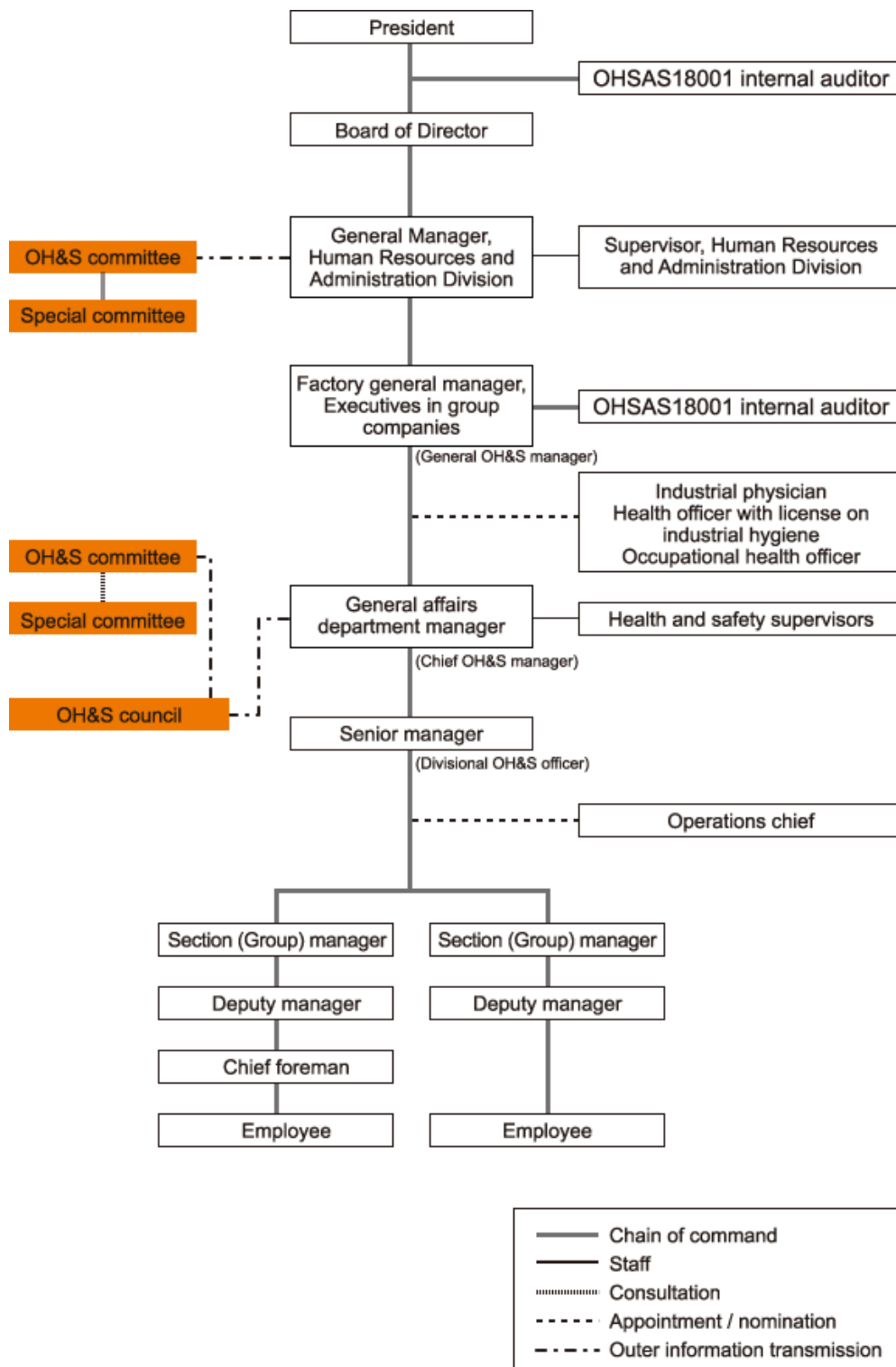
April 1, 2017

Yasuo Naruke, President and CEO, Toshiba Memory Corporation

Promotion of OHS

Toshiba Memory Group is placing health and safety supervisors within the Human Resources and Administration Division of each group company to support OHS activities among employees.

Toshiba Memory Group OHS Management Structure (as of April 2017)



OHS Management System

Toshiba Memory Group introduced OHSAS 18001*, an international certification standard for labor safety and health management system to its OHS management system.

This visible OHS management system enables us to identify and assess OHS issues and make continuous improvements to reduce risks in accordance with legal compliance. Since even before the introduction of this system, Toshiba Memory Group has been striving to improve safety management through the consistent efforts of our organizations and individual employees in their daily activities. Among such efforts, small workplace groups undertake a variety of activities on an ongoing basis. These activities include workplace improvement programs, education and training to increase risk awareness and activities to check whether appropriate practices are being carried out. By combining safety management based on employee networks with the OHSAS 18001-based management system, Toshiba Memory Group will further improve our safety management.

*OHSAS 18001: OHS Assessment Series

Raising Awareness and Education on OHS

CSR Conference

Toshiba Memory Group has been striving to generate greater awareness about OHS management among employees. As part of this effort, we participated in the awards ceremony for companies and operation sites that set an example for others for excellent OHS-related activities in FY2017. This ceremony took place during the Toshiba Group CSR Conference.

Education on OHS

Toshiba Memory Group endeavors to enhance our employees' understanding and skills in OHS. On top of the education required by the Industrial Safety and Health Act, we implement education programs for employees who are newly appointed to OHS-related

posts, as well as for mid-career OHS employees. We also run practical training programs devised by each operational site.

Occurrence of Occupational Accidents

Toshiba Memory Group will continue to implement further measures to prevent occupational accidents. In particular, we will prioritize the reduction of hazardous risks that could lead to serious injuries and illnesses and conduct a risk assessment of all workplaces and tasks. Applying the results of this risk assessment, we will identify current and potential risks, review work methods, and systematically take necessary measures to reduce and eliminate such risks. Furthermore, the Group will improve facilities and provide comprehensive OHS training for all employees.

Frequency of Lost-Time Injuries at Toshiba Memory Group in Japan

FY2017: 0.263%

CSR Management in the Supply Chain

In order to fulfill CSR in regards to human rights, labor, and the environment in cooperation with suppliers, Toshiba Memory Group continues to ensure that its suppliers are also committed to improving working conditions and reducing their environmental impact.

Toshiba Memory Group's Supply Chain

Toshiba Memory Group procures a variety of raw materials and resources from suppliers all around the world. By region, overseas suppliers account for 49% of our total procurement.

Procurement Ratio by Region (FY2017)



Toshiba Memory Group Procurement Policy

Toshiba Memory Group strives to build sound partnerships with suppliers through fair trading in compliance with procurement-related laws and regulations.

We request all our suppliers, who play an important role in the Toshiba Memory Group companies' production and services, to consent and put into practice the Toshiba Memory Group Procurement Policy. Whenever the contents of the said Policy are revised in keeping with social conditions, we inform all our suppliers both inside and outside Japan.

In addition to this Procurement Policy, we have set the Toshiba Memory Group Green Procurement Guidelines in order to address environmental issues and the Toshiba Memory Group Conflict Mineral Policy in order to address conflict minerals.

- [Toshiba Memory Group Procurement Policy](#)
- [Toshiba Memory Group Conflict Mineral Policy](#)

- Toshiba Memory Group Standards of Conduct
- ### 3. Procurement Activity

Following the Industry Group's Code of Conduct

To promote CSR for human rights, labor, occupational health and safety, environmental conservation, and ethical standards throughout the supply chain, Toshiba Memory Group promotes procurement activities in the spirit of the United Nations Global Compact (UNGC) and RBA* code of conduct.

* RBA: Responsible Business Alliance. In October 2017, EICC changed to RBA.

- RBA



Promotion of the Supply Chain Management

Toshiba Memory Group has set up an organization dedicated to planning within the procurement department at Toshiba Memory's Head Office. It works to promote fair dealings with all our suppliers as well as CSR management in the supply chain.

The organization coordinates with various business divisions and related divisions such as the CSR office and the Environment office.

Promoting and Monitoring CSR Procurement

Promoting CSR Procurement

We request some 500 suppliers that have ongoing businesses and new suppliers to promote CSR activities in accordance with the UN Global Compact and the RBA Code of Conduct.

Monitoring

Toshiba Memory Group monitors the status of CSR management in the supply chains that have ongoing businesses at manufacturing sites at the time of quality audits and requests improvements and provides guidance as necessary.

For new procurement transactions, we check the supplier's conformity with Toshiba Memory Group's procurement and selection policies, its manufacturing sites and management structure, and whether it complies with laws and regulations on environment, human rights, and occupational health and safety.

Toshiba Memory Group continuously holds briefings to explain to suppliers our policies on the environment, human rights, and occupational health and safety. We also conduct supplier surveys to monitor their performance according to the Toshiba Group Procurement Policy (including self-assessment) at each business site.

Suppliers participating in briefings and those covered by the survey (FY2017, Toshiba Memory Group, Cumulative numbers)

Topic	Participation in briefings	Surveys*	On - site Audit*
Human rights Safety	30	108	0
Environment	64	82	1
Total	94	190	1

*The survey includes self-inspections using the EICC SAQ (Self-Assessment Questionnaire), third-party audits, and surveys/audits using our own standards.

Actions on Suppliers in the Event of Breach of the Procurement Policy

If a supplier violates the standard of transaction, we request the supplier to implement remedial measures and provide guidance and support as necessary. If the remedial measure is deemed to be unsatisfactory, we suspend transactions with the supplier.

Suppliers subject to guidance & support and suspension of transactions

(FY2017, Toshiba Memory Group, Cumulative numbers)

Topic	Guidance and Support	Suspension of transactions
Human rights Safety	30	0
Environment	1	0

Examples of supplier guidance and instructions (FY2017)

Environmental Activities	Ensuring that the "Toshiba Memory Group Environmental Policy" is communicated to all parties concerned when starting to deal with new suppliers
Human Rights and Occupational Health & Safety	Ensuring that the policy on the use of conflict-free minerals and the need to conduct surveys are communicated to all parties concerned

*Conflict-free verification: a system by which a third-party organization verifies that an organization is conflict-free; i.e. does not use conflict minerals

Addressing the Conflict Minerals Issue

2013 Since Section 1502 on conflict minerals of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) enacted in January 2013, companies listed in American Exchange are required to report on the use of conflict minerals mined in the Democratic Republic of the Congo and its adjoining countries. Toshiba Memory Group is not a listed company, however, as a part of the supply chain of listed companies, investigates and reports to our customers.

For humanitarian reasons, Toshiba Memory Group's policy prohibits the use of raw materials such as tin, tantalum, tungsten, and gold mined in the Democratic Republic of the Congo and its neighboring countries which violate human rights.

- [Toshiba Memory Group Conflict Mineral Policy](#)

Toshiba Memory Group's Promotion Structure for the Use of Conflict-Free Minerals

The Conflict Minerals Management Committee, consisting of related corporate divisions, promotes activities according to the Toshiba Memory Group Conflict Mineral Policy Guidelines. Toshiba Memory Group is dedicated to sharing information about these activities.

Conflict Minerals Survey

We survey of Toshiba Memory Group suppliers on their understanding of conflict minerals and their use, as well as on details about the smelters. We surveyed 108 suppliers that might use 3TG* in FY2017

* 3TG means Tin, tantalum, tungsten, and gold

Green Procurement

The "Green Procurement Guidelines" stipulate our basic policy for selecting and procuring materials (components) that have a low environmental impact from suppliers and specify requests to all our suppliers. The purpose is to work together on global environmental conservation activities by sharing and cooperating on issues that concern environmental conservation activities with suppliers. We revise the Green Procurement Guidelines whenever necessary, and issued Ver.6.2 in July of 2017.

Quality Control

Toshiba Memory Group considers that our greatest mission is providing our customers with safe and reliable products, and as such we are striving to improve quality. In addition, we make sure to disclose product safety, security, and quality information to customers.

Quality Control Policy (As of FY2017)

In accordance with the basic commitment of Toshiba Memory Corporation (TMC) based on doing the living of people wealthily and widen social possibility by continuing reclaiming the advanced memory technology and service, providing the product which of high quality, considered security, environment adapting to customer requirements by a creative technique and continuous value pursuit.

Toshiba Memory's Basic Policy on Quality Assurance:

1. We comply with laws and regulation requirements and produce the products which met the quality reliability that the customer requires.
 2. We perform manufacturing of quality in a mass production stage from a design and development stage and work on the improvement of securing of product security, consideration to environment and the technical level positively.
 3. We aim for essential improvement by pursuing root causes and continually improve the quality management system.
- [Toshiba Memory's Quality Guidelines](#)

Standard of Conduct on Quality Assurance

1. We engage in quality assurance from the customers' point of view.
2. We observe relevant laws and contracts and respect the rights of customers and third parties.
3. We maintain quality systems aimed at achieving 100% quality.
4. We ensure that all of our departments and all of our employees act on this Quality Control Policy.

5. We aim for essential improvement by investigating the root causes of process failures and aim for prevention through risk analysis.
6. We collect, analyze and appropriately disclose information with the aim of preventing quality incidents.

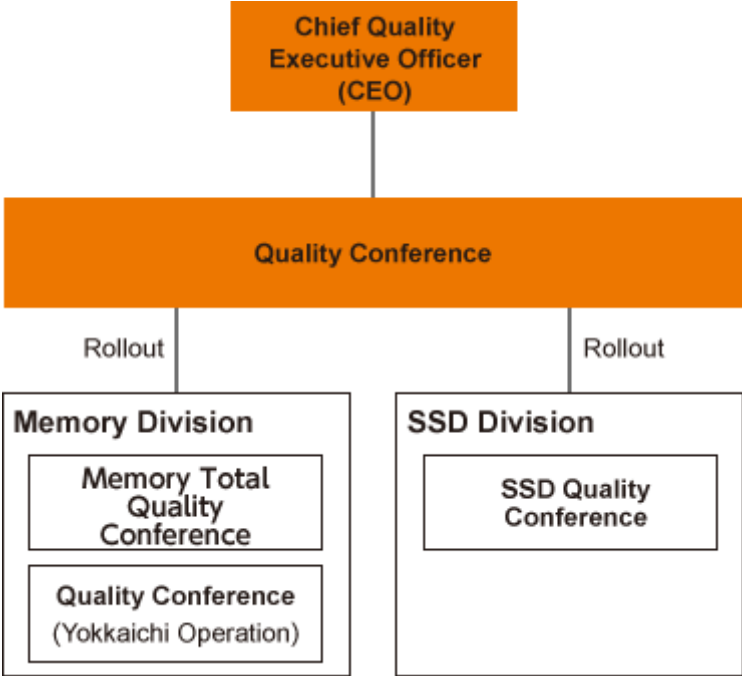
Standard of Conduct on Product Safety and Product Security

- (1) We observe both Japanese and overseas laws and regulations related to product safety and product security.
- (2) We collect, and proactively disclose, a wide range of information about product accidents.
- (3) We immediately report any product accident to the authorities concerned in accordance with relevant laws and regulations.
- (4) We promptly inform customers when a need arises to recall and repair products.
- (5) We appropriately raise caution and display warnings when deemed necessary in order to help people use its products in a safe manner.
- (6) If an accident should occur, we carry out a thorough analysis of the causes and take necessary measures to prevent it from recurring. We also strive to prevent accidents by predicting risk at the design stage.
- (7) We strive to eliminate vulnerabilities from products prior to shipment.
- (8) We collect a wide range of information on product vulnerabilities in order to reduce risk.
- (9) We widely provide product security measures in cooperation with the relevant organizations.

Structure of Promoting Quality Control

Toshiba Memory Group has implemented a structure to strengthen our quality-related activities. Led by our CEO, we hold a quality control meeting twice a year in which our Quality Officers, Vice Presidents, Technology Executives, General Managers, and Senior Managers participate to discuss and decide on quality policy relating to important matters. The participants also evaluate the appropriateness and validity of quality management and risk measures. We communicate decisions made during the meetings to business divisions and ensure that they go into action.

Structure of Promoting Quality Control of Toshiba Memory Group (As of July 1, 2017)



Structure of Response to the Occurrence of Product Accidents

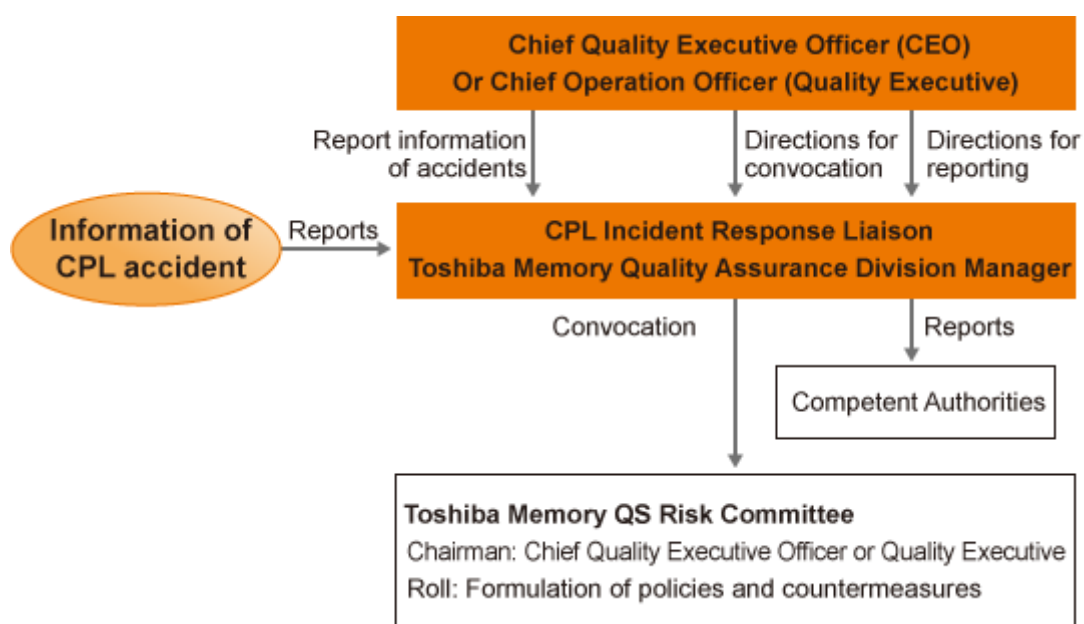
Information on accidents involving Toshiba Memory products in the market is grasped by the Toshiba Memory CEO, who is also the Chief Quality Executive Officer, or the Executive Vice President, who is the Chief Operation Officer (Quality Executive), through the “CPL*1 Incident Response Liaison.” We then take necessary action after consulting with the “QS*2 Risk Committee.”

No serious quality accidents occurred in FY2017.

- *1 CPL is an abbreviation combining CL (contractual liability) and PL (product liability).
- *2 QS is an abbreviation of Quality and Safety.

Structure to Respond to Occurrence of Product Accidents

(As of July 1, 2017)



Improving the QMS

Toshiba Memory Group obtains certifications including ISO9001, which is the basis of quality management systems; ISO/TS16949, a more advanced system. Rather than merely assessing whether products meet the requirements of these standards, we also endeavor to improve their effectiveness. Therefore, we evaluate the products' maturity annually, based on the eight principles of QMS and other guidelines.

Improving the Quality of Design

In order to enhance our capabilities to ensure product quality at the design stage, Toshiba Memory Group is promoting FMEA (Failure Mode and Effects Analysis), to prevent defects from upstream.

The aim of this activity is to enhance quality by anticipating failures or defects, called failure modes, targeting product design and processes in the upstream stages of development. We are implementing practical education to broaden the base of FMEA activities, leading to better FMEA.

Disclosure of Information on Quality

Toshiba Memory Group discloses quality information on its website.

(Products)

- Quality Guidelines
- Reliability Handbook
- Handling Precautions and Requests
- Abbreviation Collection

(Consumer Products)

- Customer Support (Japanese)

Corporate Governance

Toshiba Memory Group is reinforcing our governance system to improve the corporate value.

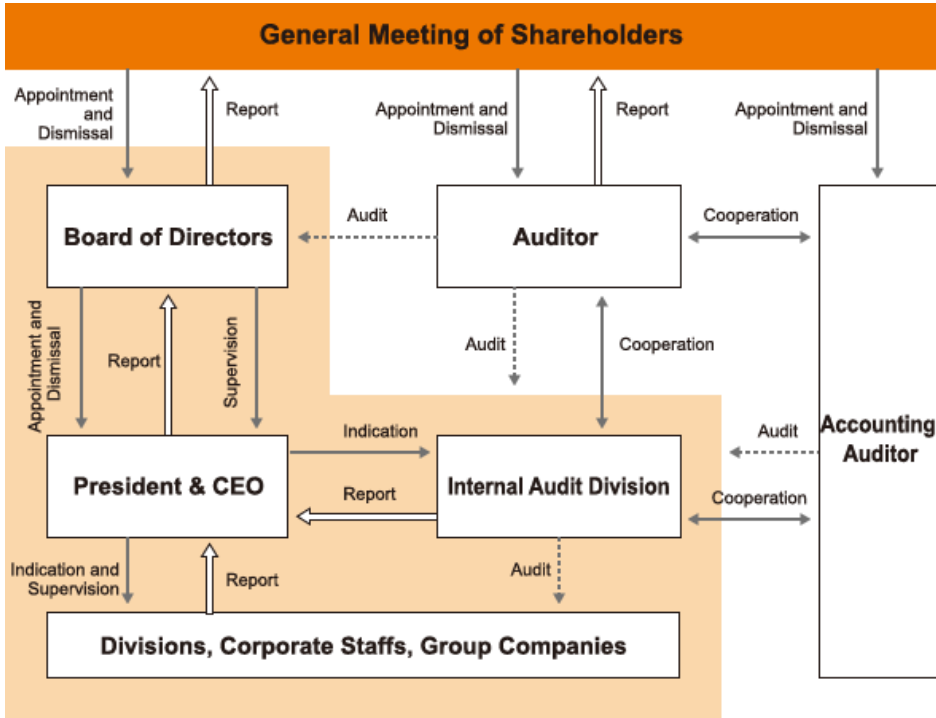
Policy and Structure of Corporate Governance (As of FY2017)

Toshiba Memory is a company with company auditors, and has developed a group governance structure in which the performance of duties by directors is audited by company auditors. We have appointed three company auditors (FY2017).

The core of the Toshiba Memory group governance structure comprises the Board of Directors which consists of six persons: the President & CEO, the Executive Vice President (COO) and Head of the Memory Division, the Chief Financial Officer (CFO), the Chief Marketing Officer (CMO), the Chief Production Officer (CPO), and the Head of SSD Division.

As Toshiba Memory's Chief Executive Officer, the CEO is responsible to shareholders in making decisions on the company's important matters. The CEO also steers Toshiba Memory's business by demonstrating the synergetic effects of broadly and optimally managing the resources of Toshiba Memory and its group companies.

Corporate Governance Structure (As of FY2017)



Risk Management and Compliance

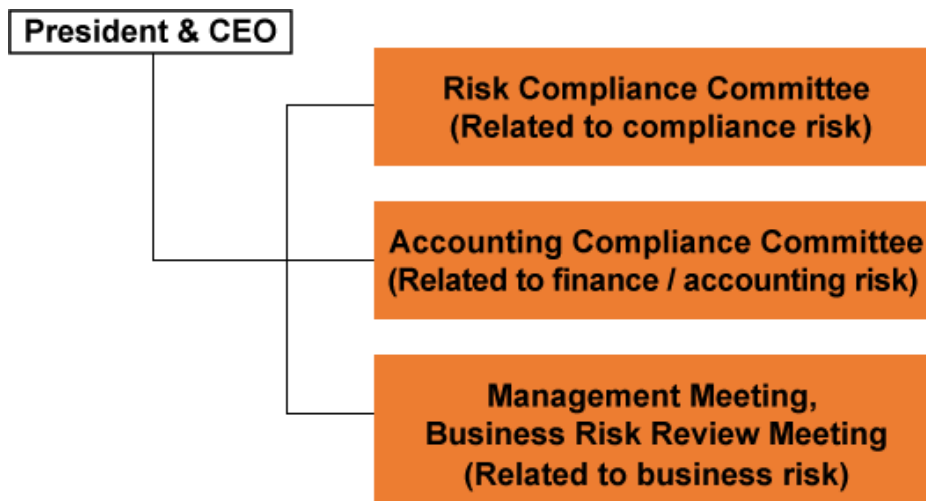
Toshiba Memory Group is enforcing global compliance with laws and regulations, internal rules, social and ethical norms, and advancing our risk compliance activities.

Policy and structure of Risk Management and Compliance

At Toshiba Memory Group, we strive to ensure compliance with laws and regulations, social and ethical norms, and internal rules. We do underpins our commitment to promoting business activities through fair competition and serving the interests of customers to the best of our ability.

Toshiba Memory classifies risks into compliance-related risks, finance / accounting-related risks, business risks, and so on and establishes meeting bodies, such as committees and review groups, for each risk category to deliberate priority measures and monitor activities.

Risk Management and Compliance Committee as of March 2018



Whistleblower System

In order to create an open work environment, Toshiba Memory is enhancing its whistleblower system, on top of preventing risks by stimulating day-to-day

communication in each workplace. We established a whistleblower system to collect internal information on SOC violations, particularly those concerning laws and regulations.

This system has been communicated to all employees through internal websites and so on. The system is designed to protect the anonymity of whistleblowers and ensure that they are not treated disadvantageously.

The numbers of reports received and consultations undertaken by the "Risk Hotline" in FY2017 are 32.

Of the reports received, those reporting inappropriate situations or concerns about inappropriate situations were reported to the relevant division so that instructions for improvement could be provided or alerts could be issued.

In cases involving consultations and questions about duties of the informants themselves, we gave advice on how to deal with the situation.

For reports other than the anonymous reports described above, we explained the status of our responses to the informants, in principle.

Except in cases in which consent has been obtained from employee, confidential adviser (at the internal secretariat never disclose the names or contact addresses of the informants).

Revision of Toshiba Memory Group Standards of Conduct and Compliance Training

Toshiba Memory provides compliance education through e-learning. In FY2017, employees received accounting compliance education and learned the importance of accounting knowledge and accounting awareness.

Fostering a Compliance-oriented Culture through Workplace Meetings

Each workplace holds meetings focusing on CSR to raise the awareness of each and every employee with regard to compliance matters so as to make compliance an integral part of the corporate culture.

In FY2017, the theme was "Communication at workplace." Participants discussed difference and misunderstanding which might be caused by lack of communication.

Compliance with the Antimonopoly Act and Anti-Corruption

Toshiba Memory Group will enforce compliance with the Antimonopoly Act and strengthen anti-corruption measures globally.

Antimonopoly and Anti-bribery Efforts

In light of global regulatory trends, Toshiba Memory Group has been making rigorous efforts to prevent cartelization and bribery.

In FY2017 specifically, the initiatives involve Toshiba Memory Group companies worldwide performing self-audits based on two internal guidelines: one on antitrust and the other on anti-bribery. Through these audits, Toshiba Memory Group aims to identify compliance levels at the companies concerned and to provide thorough compliance education.

Toshiba Memory promotes rigorous compliance with business-related laws and regulations by providing education, effectively utilizing databases that contain relevant information, and performing periodic self-audits.

In addition, Toshiba Memory's compliance initiatives are objectively evaluated by outside lawyers once a year. We make improvements to reduce risks pointed out by third parties in order to continue to enhance our compliance structure.

Furthermore, Toshiba Memory is advancing its promotion of compliance awareness, on the axis of the Standards of Conduct which Toshiba Memory established. In Japan, employees received e-learning training on sales-related risks in February - March 2018 for employees, in order to raise the standard of sales-related legal risk management.

Political Contributions

The Toshiba Memory Group Standards of Conduct stipulates that Toshiba Memory Group shall not provide inappropriate benefits or favors to any politician or political organization.

Also, as part of its social contributions, Toshiba Memory offers political contributions, when necessary, in order to contribute to the realization of policy-oriented politics, to support the healthy development of parliamentary democracy and to improve the transparency of political contributions.

In the case of offering political contribution, procedures in accordance with internal rules are followed as well as compliance with the Political Funds Control Law in case of Japan is strictly ensured.

Donations and Provision of Funds

While the Toshiba Memory Group forbids inappropriate expenses, we stipulate that appropriate donations to organizations may be made. We therefore donate to various organizations, taking into consideration factors such as the contribution made by the donee organization to society, its cause and community aspects.

Developing Measures to Continue Breaking Relationships with Anti-social Groups

In order to further ensure that all relations with anti-social forces are cut off, all Toshiba Memory Group companies have taken various measures.

More specifically, we have developed and implemented Basic Public Relations Management Rules and appointed public relations management officers for each department. When conducting transactions with a new customer, the public relations management officers of that department confirm that the customer has no relations with anti-social groups. If a need arises during a background check to further investigate the customer, Human Resources and Administration Division verifies whether there is any information on the customer's relationship with anti-social groups. We also periodically conduct surveys on customers that we already have business relations with. Transaction contracts normally include a clause regarding the exclusion of organized crime syndicates, which enables a contract to be cancelled without notice when the business partner is identified as an anti-social group.

We also continuously ensure that employees understand the importance of excluding anti-social groups from the business they do.

Information Security Management

Policy on Information Security

Toshiba Memory Group regards all information, such as personal data, customer information, management information, technical and production information handled during the course of business activities, as its important assets and adopts a policy to manage all corporate information as confidential information and to ensure that the information is not inappropriately disclosed, leaked or used. In view of this, Toshiba Memory has a fundamental policy "to manage and protect such information assets properly, with top priority on compliance." The policy is stipulated in the chapter "Corporate Information and Company Assets" of the Toshiba Memory Group Standards of Conduct, and managerial and employee awareness on the same is encouraged. In response to regulatory changes and changes in the social environment, Toshiba Memory revises the related rules on an ongoing basis so as to rigorously manage its information security.

- > Toshiba Memory Group Standards of Conduct 17. Information Security
- > Privacy Policy

Structure of Information Security Management

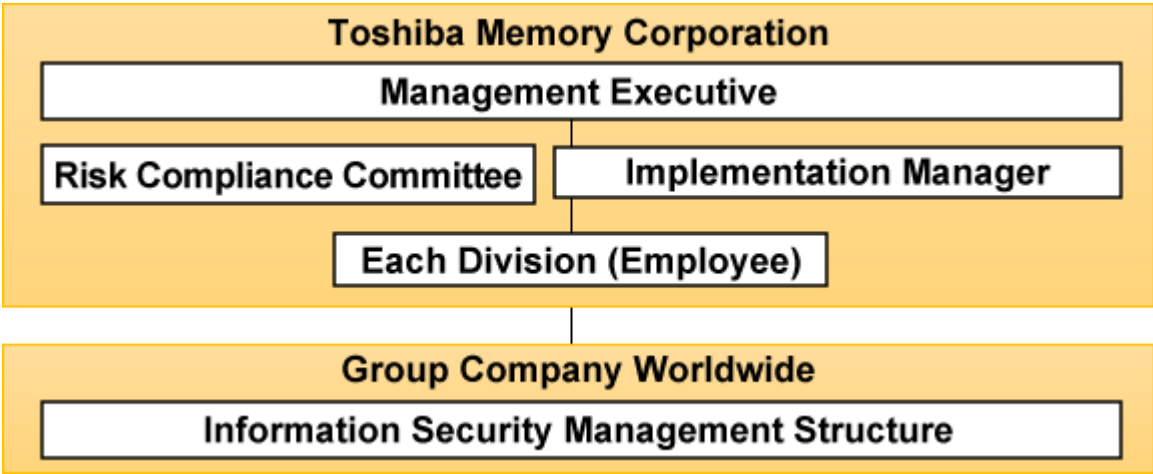
Addressing information security as a management priority, Toshiba Memory Group has established, under the supervision of the Chief Information Security Officer, an information security management structure in which the head of each organization, such as head of facilities as well as president of each group company are responsible for information security.

The Risk Compliance Committee deliberates matters that are necessary to ensure information security throughout the company. The Chief Information Security Officer formulates and enacts measures in order to make sure that internal rules related to information security are enforced in a problem-free, effective and definitive manner. The Information Security Management Executive appoints Information Security Implementation Managers who are responsible for operation of the information security management system.

The Information Security Management Executives provide guidance and assistance to the group companies under their control to ensure that they implement information security of a level equivalent to that of Toshiba Memory.

Toshiba Memory has also established a similar management structure for the protection of personal data, and has a department other than the Secretariat (the Internal Audit Division) conduct audits in accordance with JIS Q 15001.

Information Security Management Structure (As of March, 2018)



Information Security Measures

Toshiba Memory Group implements information security measures from four perspectives (see the table below). IT & Business Transformation Division incorporates these measures into regulations and guidelines and makes them fully known to all Toshiba Memory Group companies through notices and briefings.

Implementation of Information Security Measures from Four Perspectives

Category	Description
<p>(1) Organizational measures: Establish an organizational structure and rules</p>	<ul style="list-style-type: none"> • Periodic reviews of information security-related regulations • Development and maintenance of structure • Implementation of audits, etc.

<p>(2) Personal and legal measures: Ensure adherence to rules</p>	<ul style="list-style-type: none"> • Regulation of information protection duties and disciplinary measures for breach of duties in rules of employment • Provision of periodic employee education and training • Contractor information security evaluation and conclusion of confidentiality agreements, etc.
<p>(3) Physical measures: Support implementation of rules in terms of physical security</p>	<ul style="list-style-type: none"> • Carry-in/carry-out control of information devices • Facility access control, room / facility entry control • Locking of highly important information, etc.
<p>(4) Technical measures: Support implementation of rules in terms of technology</p>	<ul style="list-style-type: none"> • Virus protection and hard disk encryption of personal computers • Checking the vulnerabilities of servers accessible to the public enhancing their protection • Monitoring and controlling unauthorized access from the outside and information leakage, etc.

To protect against cyber-attacks, which are becoming more sophisticated with every passing year, we have strengthened our efforts to block suspicious e-mails and trained all employees in handling targeted attack e-mails. In addition, we enhanced our network monitoring and in-house systems to quickly cope with a virus invasion into the company systems.

Education, Inspection and Audit of Information Security Management

Toshiba Memory considers the autonomous implementation of PDCA (Plan-Do-Check-Act) cycle by each division to be vital for ensuring information security of the company. With this in view, every divisions conduct an annual self-audits in terms of compliance with internal rules, for the purpose of formulating their own improvement plan. All domestic and overseas Group companies also conduct self-audits annually, in order to improve the level of information security at each company.

Moreover, Toshiba Memory Group conducts yearly training for all officers, as well as permanent and temporary employees, in order to enforce strict compliance with in-house regulations.

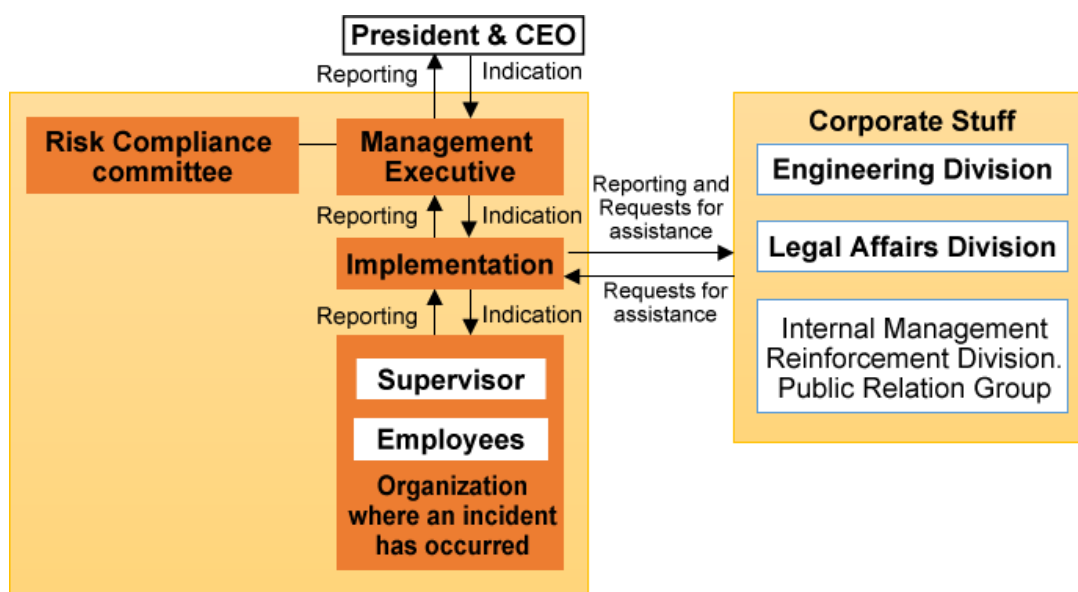
There are also programs such as introductory training for new graduate employees, and training for subcontracting companies.

Response to Incidents Such as Leakage of Confidential Information

In the event an information security incident such as the leakage of confidential information occurs, Toshiba Memory responds promptly in accordance with the information security incident reporting structure.

When an employee becomes aware of the occurrence or potential occurrence of an incident involving the leakage of corporate information, the employee promptly reports to the Implementation Manager. The Implementation Manager, upon receipt of such report, devises necessary measures, such as an investigation into the cause and consideration of actions to prevent recurrence. In the case of the occurrence or potential occurrence of a serious leakage of confidential information that may entail a violation of laws or ordinances, Toshiba Memory implements measures in accordance with the applicable laws or ordinances, such as disclosure, following discussion among the related corporate staff divisions.

Information Security Incident Reporting Structure (As of March, 2018)



Status of Incidents Such As Leakage of Confidential Information

In FY2017, there were no incidents in which important information kept by Toshiba Memory Group companies was leaked. Nor were there any complaints from relevant external individuals or regulatory bodies concerning personal data. We will continue to prevent incidents concerning information security, and are fully prepared for any situation.

Risk Management with Business Continuity Plan (BCP)

Failure to respond appropriately to large-scale disasters such as earthquakes, typhoons, and floods could result in the long-term closure of operations, triggering significant financial losses, ultimately affecting our stakeholders.

Toshiba Memory Group implements measures to ensure the safety of employees and their families, support recovery of devastated areas, and maintain business sites and factories.

GRI Content Index

This material references the GRI Standards: Core option.

General Disclosures

GRI Content Index	Disclosure	Location in CSR report	
GRI 102 : General Disclosures 2016	1. Organizational profile		
	102-1	Name of the organization	Coporate Profile
	102-2	Activities, brands, products, and services	Coporate Profile
	102-3	Location of headquarters	Coporate Profile
	102-4	Location of operations	Coporate Profile
	102-5	Ownership and legal form	Coporate Profile
	102-6	Markets served	Coporate Profile
	102-7	Scale of the organization	Coporate Profile
	102-8	Information on employees and other workers	Coporate Profile
	102-9	Supply chain	Major sustainability issues and initiatives in the value chain CSR Management in the Supply Chain
	102-10	Significant changes to the organization and its supply chain	Major sustainability issues and initiatives in the value chain CSR Management in the Supply Chain
	102-11	Precautionary Principle or approach	Risk Management and Compliance
	102-12	External initiatives	Stakeholder Engagement
	102-13	Membership of associations	Stakeholder Engagement
2. Strategy			

102-14	Statement from senior decision-maker	Message from the President Message from the Executive in Charge of CSR
102-15	Key impacts, risks, and opportunities	Our Approach to Solving Global Social Issues Risk Management and Compliance
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	Corporate Philosophy Toshiba Memory Group Standard of Conduct
102-17	Mechanisms for advice and concerns about ethics	Risk Management and Compliance
4. Governance		
102-18	Governance structure	Corporate Governance
102-19	Delegating authority	CSR Management
102-20	Executive-level responsibility for economic, environmental, and social topics	CSR Management
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement
102-22	Composition of the highest governance body and its committees	Corporate Governance
102-23	Chair of the highest governance body	—
102-24	Nominating and selecting the highest governance body	—
102-25	Conflicts of interest	—
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance
102-27	Collective knowledge of highest governance body	CSR Management Corporate Governance

	102-28	Evaluating the highest governance body's performance	—
	102-29	Identifying and managing economic, environmental, and social impacts	Corporate Governance
	102-30	Effectiveness of risk management processes	Corporate Governance Risk Management and Compliance
	102-31	Review of economic, environmental, and social topics	CSR Management
	102-32	Highest governance body's role in sustainability reporting	CSR Management CSR Material Issues and Goals
	102-33	Communicating critical concerns	CSR Management Corporate Governance Risk Management and Compliance
	102-34	Nature and total number of critical concerns	Risk Management and Compliance
	102-35	Remuneration policies	—
	102-36	Process for determining remuneration	—
	102-37	Stakeholders' involvement in remuneration	—
	102-38	Annual total compensation ratio	—
	102-39	Percentage increase in annual total compensation ratio	—
5. Stakeholder engagement			
	102-40	List of stakeholder groups	Stakeholder Engagement
	102-41	Collective bargaining agreements	Stakeholder Engagement
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement

	102-43	Approach to stakeholder engagement	Stakeholder Engagement
	102-44	Key topics and concerns raised	Stakeholder Engagement
6. Reporting practice			
	102-45	Entities included in the consolidated financial statements	Corporate Profile
	102-46	Defining report content and topic Boundaries	CSR Reporting Policy
	102-47	List of material topics	CSR Material Issues and Goals
	102-48	Restatements of information	N/A
	102-49	Changes in reporting	N/A
	102-50	Reporting period	CSR Reporting Policy
	102-51	Date of most recent report	N/A
	102-52	Reporting cycle	CSR Reporting Policy
	102-53	Contact point for questions regarding the report	Corporate Profile
	102-54	Claims of reporting in accordance with the GRI Standards	CSR Reporting Policy
	102-55	GRI content index	GRI Content Index
	102-56	External assurance	—
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	CSR Material Issues and Goals
	103-2	The management approach and its components	CSR Material Issues and Goals
	103-3	Evaluation of the management approach	CSR Material Issues and Goals

Material topics

Economic

GRI Content Index	Disclosure	Location in CSR report	
Material topics	GRI 201 : Economic Performance 2016		
	201-1	Direct economic value generated and distributed	—
	201-2	Financial implications and other risks and opportunities due to climate change	CSR Material Issues and Goals
	201-3	Defined benefit plan obligations and other retirement plans	Diversity Promotion
	201-4	Financial assistance received from government	—
	GRI 202 : Market Presence 2016		
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—
	202-2	Proportion of senior management hired from the local community	—
	GRI 203 : Indirect Economic Impacts 2016		
	203-1	Infrastructure investments and services supported	—
	203-2	Significant indirect economic impacts	—
	GRI 204 : Procurement Practices 2016		
	204-1	Proportion of spending on local suppliers	CSR Management in the Supply Chain
	GRI 205 : Anti-corruption 2016		

	205-1	Operations assessed for risks related to corruption	Risk Management and Compliance
	205-2	Communication and training about anti-corruption policies and procedures	Risk Management and Compliance
	205-3	Confirmed incidents of corruption and actions taken	Risk Management and Compliance
GRI 206 : Anti-competitive Behavior 2016			
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Risk Management and Compliance

Environmental

GRI Content Index	Disclosure	Location in CSR report	
Material topics	GRI 301 : Materials 2016		
	301-1	Materials used by weight or volume	—
	301-2	Recycled input materials used	—
	301-3	Reclaimed products and their packaging materials	—
	GRI 302 : Energy 2016		
	302-1	Energy consumption within the organization	Current Status of Environmental Impact and Environmental Targets and Outcomes
	302-2	Energy consumption outside of the organization	—
	302-3	Energy intensity	Current Status of Environmental Impact and

		Environmental Targets and Outcomes
302-4	Reduction of energy consumption	Current Status of Environmental Impact and Environmental Targets and Outcomes
302-5	Reductions in energy requirements of products and services	Contributing to the information-intensive society through our products
GRI 303 : Water 2016		
303-1	Water withdrawal by source	Current Status of Environmental Impact and Environmental Targets and Outcomes
303-2	Water sources significantly affected by withdrawal of water	Current Status of Environmental Impact and Environmental Targets and Outcomes
303-3	Water recycled and reused	Current Status of Environmental Impact and Environmental Targets and Outcomes
GRI 304 : Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Preservation
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity Preservation
304-3	Habitats protected or restored	Biodiversity Preservation
304-4	IUCN Red List species and national conservation list species	Biodiversity Preservation

	with habitats in areas affected by operations	
GRI 305 : Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Current Status of Environmental Impact and Environmental Targets and Outcomes
305-2	Energy indirect (Scope 2) GHG emissions	Current Status of Environmental Impact and Environmental Targets and Outcomes
305-3	Other indirect (Scope 3) GHG emissions	—
305-4	GHG emissions intensity	Current Status of Environmental Impact and Environmental Targets and Outcomes
305-5	Reduction of GHG emissions	Current Status of Environmental Impact and Environmental Targets and Outcomes
305-6	Emissions of ozone-depleting substances (ODS)	—
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Current Status of Environmental Impact and Environmental Targets and Outcomes
GRI 306 : Effluents and Waste 2016		
306-1	Water discharge by quality and destination	Current Status of Environmental Impact and Environmental Targets and Outcomes
306-2	Waste by type and disposal method	Current Status of Environmental Impact and Environmental Targets and Outcomes
306-3	Significant spills	—

	306-4	Transport of hazardous waste	—
	306-5	Water bodies affected by water discharges and/or runoff	Current Status of Environmental Impact and Environmental Targets and Outcomes
GRI 307 : Environmental Compliance 2016			
	307-1	Non-compliance with environmental laws and regulations	Environmental Protection System
GRI 308 : Supplier Environmental Assessment 2016			
	308-1	New suppliers that were screened using environmental criteria	CSR Management in the Supply Chain
	308-2	Negative environmental impacts in the supply chain and actions taken	CSR Management in the Supply Chain

Social

GRI Content Index	Disclosure	Location in CSR report	
Material topics	GRI 401 : Employment 2016		
	401-1	New employee hires and employee turnover	Diversity Promotion
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Diversity Promotion
	401-3	Parental leave	Diversity Promotion
	GRI 402 : Labor/Management Relations 2016		
	402-1	Minimum notice periods regarding operational changes	Stakeholder Engagement
	GRI 403 : Occupational Health and Safety 2016		
	403-1	Workers representation in formal joint	Occupational Health and Safety

		management-worker health and safety committees	
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety
	403-3	Workers with high incidence or high risk of diseases related to their occupation	Occupational Health and Safety
	403-4	Health and safety topics covered in formal agreements with trade unions	Occupational Health and Safety
GRI 404 : Training and Education 2016			
	404-1	Average hours of training per year per employee	—
	404-2	Programs for upgrading employee skills and transition assistance programs	Fair Evaluation and Talent Development
	404-3	Percentage of employees receiving regular performance and career development reviews	Fair Evaluation and Talent Development
GRI 405 : Diversity and Equal Opportunity 2016			
	405-1	Diversity of governance bodies and employees	Diversity Promotion
	405-2	Ratio of basic salary and remuneration of women to men	—
GRI 406 : Non-discrimination 2016			

406-1	Incidents of discrimination and corrective actions taken	Risk Management and Compliance
GRI 407 : Freedom of Association and Collective		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Stakeholder Engagement
GRI 408 : Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Respect for Human Rights
GRI 409 : Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Respect for Human Rights
GRI 410 : Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	Respect for Human Rights
GRI 411 : Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	N/A
GRI 412 : Human Rights Assessment 2016		
412-1	Operations that have been subject to human rights reviews or impact assessments	CSR Material Issues and Goals Respect for Human Rights

	412-2	Employee training on human rights policies or procedures	CSR Material Issues and Goals Respect for Human Rights
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	N/A
GRI 413 : Local Communities 2016			
	413-1	Operations with local community engagement, impact assessments, and development programs	Stakeholder Engagement
	413-2	Operations with significant actual and potential negative impacts on local communities	N/A
GRI 414 : Supplier Social Assessment 2016			
	414-1	New suppliers that were screened using social criteria	CSR Management in the Supply Chain
	414-2	Negative social impacts in the supply chain and actions taken	CSR Management in the Supply Chain
GRI 415 : Public Policy 2016			
	415-1	Political contributions	Risk Management and Compliance
GRI 416 : Customer Health and Safety 2016			
	416-1	Assessment of the health and safety impacts of product and service categories	Quality Control
	416-2	Incidents of non-compliance concerning	Quality Control

	the health and safety impacts of products and services	
GRI 417 : Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	—
417-2	Incidents of non-compliance concerning product and service information and labeling	—
417-3	Incidents of non-compliance concerning marketing communications	—
GRI 418 : Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	—
GRI 419 : 社会経済面のコンプライアンス		
419-1	Non-compliance with laws and regulations in the social and economic area	—

Appendix

- **Standards of Conduct for Toshiba Memory Group**

Standards of conduct for Toshiba Memory Group

Introduction

As the Toshiba Memory Group looks to become an enterprise trusted by society, we have set up management principles: respecting humanity, creating new values, and contributing to the lives and cultures of different countries around the world. At the same time, we operate our business under a management vision in which we aim to make adequate profits and sustainable growth and to bring our customers comfort and joy through the professional expertise and actions of each of our personnel and the collective efforts of our people.

These Toshiba Memory Group Standards of Conduct (hereinafter called the “SOC”) have thus been established in order to make our management principles and management vision a reality and as a basis to guide our activities so that we can operate under the principles of fairness, integrity and transparency and contribute to the formation of a sustainable society.

Each of the directors, corporate auditors, and officers (hereinafter called the “Directors”) and employees (hereinafter called the “Employees”) of Toshiba Memory Group should comply with the SOC and strive to operate a sound and high quality business as a part of a global enterprise which emphasizes a balance between the environment, human rights and local communities under the principle of giving the highest priority to life, safety and compliance with laws, regulations, social standards and ethics.

1. Human Rights

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall:

- (1) comply with all applicable laws and regulations concerning human rights in each country and region, understand international standards, and respect human rights, and shall not condone use of either child labor or forced labor;

- (2) take appropriate measures in the event that Toshiba Memory Group becomes aware of violation of human rights and demand that suppliers redress any violations of human rights; and
- (3) seek to raise awareness among related stakeholders with respect for human rights.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) accept and accommodate different values, and respect the character and personality of each individual, observe the right to privacy and human rights of each individual; and
- (2) avoid any violation of human rights based on race, religion, sex, national origin, physical disability, age or sexual orientation, and avoid physical abuse, sexual harassment, power harassment (i.e., bullying or harassment by superiors in the office) or violation of the human rights of others.

2. Customer Satisfaction

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall supply products, systems and services (hereinafter called “products and services”) that are based on voice of customer comments that satisfy customer needs and requirements, and that comply with laws, regulations and contracts.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) supply safe and reliable products and services;
- (2) provide reliable information regarding products and services in an appropriate manner;
- (3) respond to requests and consultations from customers in an honest, prompt and appropriate manner; and
- (4) respect voice of customer and endeavor to develop and improve products and services that satisfy customer needs.

3. Procurement

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall:

- (1) comply with all applicable laws, regulations and practices established by industry and international organizations;
- (2) provide suppliers (hereinafter including prospective suppliers) with equal opportunities for transactions with Toshiba Memory Group;
- (3) conduct procurement in such a manner as to fulfill corporate social responsibilities together with the suppliers; and
- (4) conduct procurement based on mutual understanding and trust with suppliers.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) prioritize suppliers that:
 - abide by all applicable laws, regulations and social standards, and take seriously human rights, good labor practices, occupational safety and health, and environmental protection;
 - have sound finances;
 - can supply goods and/or services to Toshiba Memory Group with emphasis on appropriate quality, price and delivery lead-time;
 - can provide a stable supply of goods and/or services as well as flexibly and quickly respond to demand fluctuations;
 - possess technology that contributes positively to Toshiba Memory Group products;
 - have a plan to prevent interruptions in the supply of goods and/or services in times of unexpected circumstances that may affect the company and its supply chain; and
 - require their suppliers to observe a procurement policy equivalent to that of Toshiba Memory Group;
- (2) prior to procurement of necessary goods and services, undertake a comprehensive and fair evaluation in accordance with the standards set forth below:
 - environmentally friendly;
 - appropriate quality and reasonable and economically rational pricing; and
 - deliver on schedule and with a stable supply;
- (3) refrain from receiving any personal benefits from suppliers with regard to corporate procurement, and fulfill contractual obligations to suppliers in good faith,

- ensuring that all transactions fully comply with ethically sound commercial practices and with all applicable laws and regulations to protect suppliers; and
- (4) ensure that all purchases are authorized by the relevant purchasing, procurement or subcontractor departments in accordance with Toshiba Memory Group internal regulations.

4. Production and Technology, Quality Assurance

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall:

- (1) observe all applicable laws and regulations, as well as contracts related to production, technology and quality assurance; and
- (2) promote constant technological innovation and product improvement and strive to supply safe, reliable and high quality products and services that meet customers' needs and incorporate the most advanced technologies.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) assure the fulfillment of warranty commitments giving priority to customer satisfaction, and ensuring the safety of products;
- (2) promote the research and development of advanced technologies, products and services, and the continuous improvement of technology infrastructure; maintain basic technological and functional infrastructure so as to respond in a timely and appropriate manner to changes in the technological environment and to develop products and services that effectively utilize advanced technologies; and
- (3) in case Directors or Employees obtain information regarding an accidents involving any product or service, or the safety of any product or service, verify such information instantly and take appropriate measures in accordance with all applicable laws and internal regulations, including information provision, product recalls, and warning notices and labeling.

5. Marketing and Sales

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall:

- (1) comply with all applicable laws and regulations (including prohibitions on commercial bribery and kickbacks) and conduct fair marketing and sales activities in accordance with proper corporate ethics; and
- (2) deliver superior products and services that satisfy customer needs and requirements.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) follow sound and fair business practices in all dealings with customers;
- (2) promote marketing and sales that comply with all applicable laws and regulations (including prohibitions on commercial bribery and kickbacks), observe sound business practices and respect socially accepted ideas; and
- (3) endeavor to understand customer needs from their perspective and deliver optimal products and services.

6. Competition Law and Government Transactions

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall:

- (1) comply with all applicable laws and regulations enacted for the purpose of maintaining free and fair competition (hereinafter called "Competition Laws") in all business activities, including in all transactions with any government; and
- (2) prepare and properly implement Competition Laws compliance programs and company rules on marketing activities toward government agencies that set out corporate policies and procedures for assuring compliance with applicable Competition Laws and related regulations.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) observe the Competition Laws compliance programs as well as company rules on marketing activities and promote free and fair business activities;
- (2) avoid, whether express or implied, agreements or understandings with competitors relating to pricing (including quotations and bids), the volume of production and sales, allocation of markets, customers or territories, or restrictions on production capacities or technology. The prohibition of such agreements is not limited to those actually recorded in writing by way of memoranda or minutes, but also extends to oral agreements;
- (3) if the customer is a government agency, observe the company rules on marketing activities toward government agencies and not engage in activities such as bid obstruction (Note 1) or competitor coordination on orders (Note 2);
- (4) not organize or participate in meetings, make pledges or arrangements, or exchange information or engage in any other activities which may result in suspicion of engaging in the activities set forth in paragraph 2 and 3 above;
- (5) not require distributors or dealers to agree to or maintain resale prices for any Toshiba Memory Group Company product;
- (6) not allow third parties (including sales representatives) to engage in activities prohibited under paragraphs (2) to (5) above; and
- (7) when hiring former government officials, strictly examine the candidate in accordance with all applicable laws and regulations and the internal regulations of the governmental agency in which he or she worked, and, if such candidate is hired, not allow him or her to engage in marketing activities aimed at such governmental agency, except to the extent permitted by law.

(Note 1) Herein, "bid obstruction" means, when dealing with a government agency, inquiring about the agency's intentions regarding which prospective bidder will be contracted or the possible bid price, or acting in order for the agency to realize its such intentions.

(Note 2) Herein, "competitor coordination on orders" means exchanging information or coordinating with competitors regarding which prospective bidder will be contracted, bid prices and other information.

7. Bribery

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall comply with all applicable laws and regulations prohibiting the payment, or offer or promise to make a payment, of anything of value to any public officials (i.e., any officer or employee of a government entity or any department, agency, or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality, or for or on behalf of any such public international organization, or any political party, party official, or candidate thereof).

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) neither make nor offer, either directly or indirectly, any payment or anything of value, whether in the form of compensation, business entertainment, gift, contribution, gratuity, or other form, that is illegal or prohibited by any applicable law or regulation, in any dealings with any government agencies, their officials, or members of any political party (including holders of a political office or candidates for such office) (except for cases that do not violate applicable laws or regulations and are considered socially acceptable), and shall not engage in sales transactions, loan transactions and the like (including guarantee transactions) that are not at arm's length;
- (2) not pay monies or offer benefits to any politicians (including former members of any legislative body, or current or former secretaries of any such politicians) or any company a politician may be involved with, regardless of the form such monies or benefits take (for example "commissions" or "consulting fees"), in connection with marketing toward governmental agencies;
- (3) refrain from offering cash or other benefits to representatives of foreign governments as a means to gain unlawful benefits or profits when conducting international business transactions;
- (4) not allow third parties including intermediaries, such as distributors or agents, to engage in any activities described in paragraphs 1 to 3 above;
- (5) ensure that reasonable compensation and all necessary terms and conditions are specified in advance when working with intermediaries, such as distributors or

- agents, and observe all measures required by all applicable laws and regulations of each country or region for such compensation;
- (6) not make contributions to political parties or committees, unless permitted to do so by applicable laws, regulations, and company rules; and
 - (7) respect the established practices of any customer, government entity or other party, as well as all applicable laws and regulations, regarding the provision of or the restrictions or controls over the acceptance of business entertainment, gifts or other business courtesies by its employees or officials.

8. Environment

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall:

- (1) strive to promote a sustainable environment with the recognition that the Earth is an irreplaceable asset and that there is a collective obligation to leave it to future generations in a sound state;
- (2) comply with all applicable international, regional and national standards, laws, regulations, agreements, industry guidelines and company rules related to the environment;
- (3) contribute to society by developing and offering excellent products that incorporate technologies for environmental protection; and
- (4) strive to reduce the environmental impact of business activities.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) endeavor to do research and development activities and product manufacturing that reduce the impact on the environment, and also work proactively to maximize the efficient use of energy, reduce the use of natural resources and recycle in the course of all business activities in order to prevent global warming and efficiently use resources;
- (2) continually improve environmental activities by implementing action plans from both short-term and long-term perspectives through daily operations;
- (3) conduct periodic measurements and inspections and maintain records accordingly. When there is an irregularity, promptly take corrective and preventive measures;

- (4) perform timely and appropriate environmental impact assessments during the planning of new plants and plant relocations, investment in production facilities, product planning and design and the purchase of new parts, components or materials;
- (5) try to avoid the use or emission of any substance that, although not prohibited by applicable laws or regulations, is recognized as a threat to the environment by the government or public environmental authority of any country or region in which Toshiba Memory Group operates. If such a substance should be used by Toshiba Memory Group Companies, for whatever reason, every effort shall be made to minimize its environmental impact through application of the best available technology and know-how;
- (6) try to maintain good and open communication channels for disclosure of sufficient information regarding our environmental activities; and
- (7) pay due consideration to environmental issues in every-day life, including global warming, and actively consider participating in environmental activities of local communities.

9. Export Control

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall:

- (1) refrain from any transactions that may undermine the maintenance of global peace and security;
- (2) comply with all applicable export laws and regulations in each country and region of operation, and with those of the United States if we are engaged in transactions involving U.S. products and technological information; and
- (3) prepare and implement export control compliance programs (hereinafter called the "Export Control Programs") that stipulate corporate policies and procedures for assuring compliance with the foregoing laws and regulations.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) refrain from any transactions that may undermine the maintenance of global peace and security or any product or technology transactions that may violate the following laws and regulations:
 - all applicable export control laws and regulations in each of the countries and regions where Toshiba Memory Group operates, and
 - the export control laws and regulations of the United States applicable to transactions involving U.S. products and technological information;
- (2) assure strict management of transactions from the initial inquiry through the delivery of products and services by observing detailed procedures for control of transactions stipulated in the Export Control Program; and
- (3) prevent our products from being used for development and manufacturing of conventional weapons and weapons of mass destruction by verifying the end use and the end user of products and technology.

10. Antisocial Groups

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall not have any relationships, including business transactions, with antisocial groups (i.e., groups that engage in any type of criminal activity or are deemed otherwise to be disruptive or pose a threat to society, including but not limited to organized crime groups or terrorist groups).

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) refuse participation or contributions by antisocial groups in our business activities, and not promote their activities (e.g., subscription to or purchase of publications or books, purchase of goods, endorsement by advertisement, offering of services, offering of cash or goods, and any other activities providing material support).
- (2) refuse any unjustifiable demand (Note) decisively and unequivocally; and
- (3) comply with all applicable laws and regulations governing money laundering (concealing the origins of money obtained illegally).

(Note) Herein, “Unjustifiable demand” means a demand or other action related to business activities made by a member of criminal organization with the threat of violence.

11. Engineering Ethics

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall:

- (1) engage in technology activities with a high level of ethics; and
- (2) comply with all applicable laws, regulations and contracts.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) utilize their expertise, skills and experience to contribute to the health and happiness of humans and the safety of society;
- (2) rely on scientific facts and recognize changes in all applicable laws, regulations, and conventional wisdom to make fair and independent judgments and act honestly and with good faith;
- (3) continuously seek to improve their expertise and capabilities to create new and innovative technology and offer safe and excellent products and services;
- (4) endeavor to foster future engineers and bestow technology to them; and
- (5) promote more active communication with relevant parties to create an openminded and transparent working environment.

12. Intellectual Property Rights

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall:

- (1) comply with all applicable laws and regulations associated with patent law, copyright law and other intellectual property rights (Note) laws; and
- (2) protect the results of intellectual activities with intellectual property rights, make extensive use of those rights, and respect the legitimate intellectual property rights of third parties.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) proactively acquire and utilize intellectual property rights in order to strengthen business competitiveness;
- (2) understand and observe company rules providing that intellectual property rights in any invention, utility model, design for or actual work, such as mask work (i.e., the layout of an integrated circuit chip), computer program or digital content, that is determined to have been made by anyone during the period of his or her services for or employment by a Toshiba Memory Group Company, and the ability to apply for such rights, belong to the Toshiba Memory Group Company;
- (3) adequately maintain intellectual property rights and take appropriate measures against infringement of these rights by a third party; and
- (4) respect and take due care of the legitimate intellectual property rights of third parties.

(Note) Herein, “intellectual property rights” means patent rights, utility model rights, design patent rights, trademarks, copyrights, mask work rights, trade secrets, and any other such rights.

13. Accounting

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall comply with all applicable laws and regulations regarding accounting and conduct proper accounts management and financial reporting in accordance with generally accepted principles.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) maintain proper and timely accounts in accordance with generally accepted accounting principles;
- (2) promote the prompt release of accurate accounts; and
- (3) endeavor to maintain and improve the accounting management system, and establish and implement internal control procedures for financial reporting.

14. Corporate Communications

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall:

- (1) endeavor to obtain the understanding of stakeholders, including customers, shareholders and the local community, with respect to corporate activities, products and services, and further improve public recognition of Toshiba Memory Group and its corporate image by means of positive and timely corporate communications activities on business information (Note), such as corporate strategy and financial data; and
- (2) ensure that management policies are well communicated within the company, and promote information sharing as a means of raising morale and creating a sense of unity.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) conduct corporate communications with integrity on the basis of objective facts;
- (2) conduct corporate communications by appropriate means, to enable customers, shareholders, potential investors and the members of the community of each country or region to obtain a reasonable understanding of Toshiba Memory Group's activities; and
- (3) obtain prior consent from the persons responsible for corporate communications before disclosing business information to analysts and to the media, including newspapers, magazines and television stations.

(Note) Herein, "business information" includes but is not limited to information regarding actions or activities which may raise the suspicion of such actions prohibited by these SOC (hereinafter called "Risk Compliance Information").

15. Advertising

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall:

- (1) use advertising activities to increase public awareness of the Toshiba Memory brand and public awareness of, and trust in, Toshiba Memory Group; and
- (2) seek heightened awareness of Toshiba Memory Group as a global company and a “good corporate citizen” at national and regional levels.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) increase public trust in the Toshiba Memory brand and acquire the good will and trust of the people in each of the countries or regions in which Toshiba Memory Group operates, thereby creating an environment whereby sustained business development and sales promotion activities may be achieved;
- (2) not use advertising to cast third parties in a negative light in an attempt to make Toshiba Memory Group appear more favorable, or for any other negative purpose; and
- (3) not make reference to politics or religion in advertising, cause offense or show disrespect by implying discrimination based on race, religion, sex, national origin, physical disability, age or sexual orientation.

16. Workplace

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall:

- (1) develop a working environment where Employees may perform their duties creatively and efficiently so that they may achieve a work/life balance (i.e., balance between work and home); and
- (2) endeavor to ensure a safe and comfortable working environment for Employees.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) accomplish their tasks to the utmost of their abilities, in light of their authority and the responsibilities assigned to them by the company, and endeavor to learn continuously and to improve their own abilities;
- (2) realize employees’ work/life balance through various ways of working so that they can maximize their capabilities to the fullest extent;

- (3) cultivate a workplace environment that encourages the development of openminded, cooperative and orderly work activities; and
- (4) maintain safety, cleanliness and good order in the workplace and endeavor to prevent industrial accidents, and try to maintain good health.

17. Information Security

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall:

- (1) properly manage and protect corporate information (Note);
- (2) respect proprietary information and maintain corporate information as confidential, and prohibit disclosure or improper use of corporate information; and
- (3) strive to prevent information security incidents, and take recovery and corrective measures immediately in the event of an incident.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) not disclose or divulge corporate information, either during or after employment, without following appropriate internal procedures;
- (2) not use corporate information or company assets to benefit themselves or any third party, to harm the interests of Toshiba Memory Group, or for any other improper use, either during or after employment, however this does not restrict any right under applicable employment laws, including for example the right of United States employees to disclose their compensation;
- (3) not disclose or divulge to the company any confidential or proprietary information belonging to any third party acquired prior to their employment in violation of their obligations to such third parties, including inter alia, former employees and clients;
- (4) protect any personal data, in accordance with all applicable laws, regulations and company rules, including observance of lawful and appropriate procedures for obtaining and maintaining personal data, and use personal data only for appropriate purposes;
- (5) observe information security regulations, and endeavor to protect corporate information and use corporate information only in a proper manner;

- (6) not to use any company-owned information technology equipment or services for any personal purposes;
- (7) not hurt the informational interests of third parties, such as accessing third party information without authorizations; and
- (8) not be party to any illegal insider trading (i.e., using nonpublic corporate information in trading the shares or the like of a company).

(Note) Herein, “corporate information” means all information, including personal information, third party information such as customer and supplier information and company information (hereinafter including information relating to third parties) that is handled by the Directors and Employees in the course of conducting business, except information open to the public.

18. Company Assets and Conflicts of Interest

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall:

- (1) properly manage company assets (hereinafter including the Toshiba Memory brand and other intangible assets); and
- (2) always act in the best interest of the company.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) refrain from diverting or appropriating company assets for personal use and endeavor to maintain company assets;
- (2) refrain from making improper use of company equipment and facilities;
- (3) not make unauthorized use of their position or authority within the company to benefit themselves or any third party or to impair the credibility or brand name of the company; and
- (4) avoid business relationships with customers, suppliers, and competitors of the company that would pose a conflict of interest.

19. Community Relations

1) Toshiba Memory Group Corporate Policy

Toshiba Memory Group Companies shall:

- (1) contribute to and cooperate with all local communities in which Toshiba Memory Group operates in order to perform its duties as a member of these communities and engage and collaborate with a wide range of stakeholders such as nonprofit organization (NPOs);
- (2) support Directors and Employees in undertaking voluntary activities and give full consideration to each individual's desire to exercise his or her civil rights;
- (3) make appropriate donations in each country and region where Toshiba Memory Group operates, after considering the contribution to the community, the public nature and the reasons for making donations; and
- (4) try to improve the brand image in all aspects of their relationships with the communities.

2) SOC for Toshiba Memory Group Directors and Employees

Directors and Employees shall:

- (1) assure that Toshiba Memory Group Companies undertake all activities in harmony with the community, by respecting the local culture and community traditions and customs;
- (2) actively participate in developing communication with the local community, to encourage and maintain mutual respect and understanding;
- (3) actively participate in community social and voluntary activities;
- (4) act responsibly and with integrity as a member of society; and
- (5) aspire to exhibit honesty and integrity in words and actions with an awareness of being member of Toshiba Memory Group, whether at the workplace, in public places, or online.

Scope and Implementation

1. Scope of the SOC

- (1) These SOC shall, on their adoption by each Toshiba Memory Group Company by resolution of the board of directors or other appropriate corporate actions, apply to all Directors and Employees, including advisors and contract employees; and
- (2) The SOC does not state or establish legal obligations on the part of the Toshiba Memory Group and does not create any legal rights or claims on the part of any person. Instead, the SOC sets forth the values of the Toshiba Memory Group and the expectations that the Toshiba Memory Group has for its Directors and Employees. In many instances, these values and expectations exceed applicable legal obligations.

2. Implementation of the SOC

- (1) Each Toshiba Memory Group Company shall appoint a “Chief Implementation Administrator” to assume overall responsibility for implementation of the SOC. The Chief Implementation Administrator of Toshiba Memory Corporation shall be the President;
- (2) Each Chief Implementation Administrator may appoint, as necessary, “Implementation Administrators,” who shall be responsible for the implementation of each article of the SOC. Within Toshiba Memory Corporation, the General Manager of each division shall assume the role of Implementation Administrator. In this capacity, they are responsible for implementation of the SOC in their divisions and also for guiding implementation in Toshiba Memory Group Companies for which they are responsible;
- (3) The corporate staff division of each Toshiba Memory Group Company in charge of any of the items of these SOC shall formulate relevant rules or compliance programs and shall support that Toshiba Memory Group Company’s Implementation Administrators and any related companies by providing information and advice on formulating implementation rules and on developing educational programs; and
- (4) Toshiba Memory Corporation’s Legal Affairs Division and Business Planning Division shall be the bodies responsible for the maintenance of the SOC and the promotion and support for the adoption and implementation of the SOC by the Toshiba Memory Group Companies.

3. In-house Information Reporting System and Protection of Information Providers

- (1) Toshiba Memory Group Companies shall establish an in-house information reporting system to ensure that Toshiba Memory Group Directors and Employees are able to report Risk Compliance Information (Note) directly to Chief Implementation Administrators or the division responsible for risk-compliance matters;
- (2) Directors and Employees of each Toshiba Memory Group Company are to report any Risk Compliance Information they have to their supervisors immediately or provide such information using the in-house information reporting system;
- (3) The Chief Implementation Administrators, the divisions responsible for risk25 compliance matters and supervisors who receive Risk Compliance Information must respond and act promptly and appropriately; and
- (4) Directors and Employees who provide Risk Compliance Information for good reason and in good faith must not be treated disadvantageously on the grounds that they provided such information.

4. Disciplinary Action

Any conduct in violation of these SOC shall be subject to disciplinary measures up to and including dismissal, according to and as set forth in each Toshiba Memory Group Company's Disciplinary Rules/Staff Handbook.

5. Amendments

Any amendments shall be subject to the resolution of the board of directors; except minor corrections (including but not limited to the correction of clerical errors) can be made through the decision by the President.

(Note) "Risk Compliance Information" means any information regarding actions, or activities which may raise the suspicion of actions prohibited by these SOC.

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URL: <https://business.toshiba-memory.com/en-apac/company/csr.html>