



# Financial Highlights • Toshiba Corporation and Subsidiaries

For the years ended March 31, 2009, 2008 and 2007

	(Millions of yen)		
	2009	2008 <i>(Note3)</i>	2007 <i>(Note3)</i>
Net sales—Japan	¥ 3,230,840	¥ 3,702,474	¥ 3,599,385
—Overseas	3,423,678	3,962,858	3,516,965
Net sales (Total)	6,654,518	7,665,332	7,116,350
Operating income (loss) <i>(Note 1)</i>	(250,186)	246,393	258,364
Income (loss) from continuing operations, before income taxes and minority interest	(279,252)	265,049	327,131
Net income (loss)	(343,559)	127,413	137,429
Total assets	5,453,225	5,935,637	5,931,962
Shareholders' equity	447,346	1,022,265	1,108,321
Capital expenditures (property, plant and equipment)	357,111	465,044	375,335
Research and development expenditures	378,261	393,293	393,987
Return on equity (ROE) (%)	(46.8)	12.0	13.0
Return on total assets (ROA) (%)	(6.0)	2.1	2.6

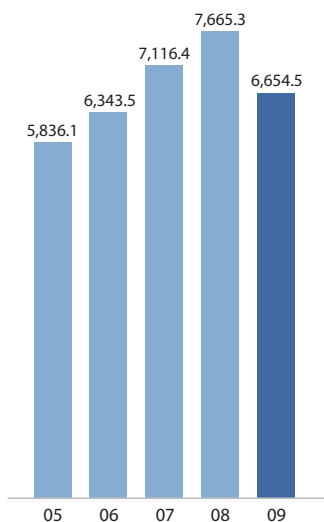
	Yen		
Per share of common stock:			
Net income (loss) <i>(Note 2)</i>			
—basic	¥ (106.18)	¥ 39.46	¥ 42.76
—diluted	(106.18)	36.59	39.45
Cash dividends	5.00	12.00	11.00
Number of employees (Thousands)	199	198	191

Notes: 1) Operating income (loss) has been determined under financial reporting practices generally accepted in Japan and is defined as net sales less cost of sales and selling, general and administrative expenses.

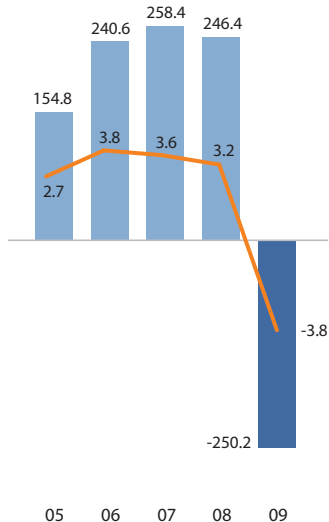
2) Basic net income per share (EPS) is computed based on the weighted-average number of shares of common stock outstanding during each period. Diluted EPS assumes the dilution that could occur if stock acquisition rights were exercised to issue common stock, unless their inclusion would have an antidilutive effect.

3) Beginning with the fiscal year ended March 31, 2009, operating results of the Mobile Broadcasting business are accounted for in accordance with SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" where the business is reclassified as a discontinued operation in the consolidated financial statements. Prior-period data for the fiscal years up to March 31, 2008 has been reclassified to conform with the current classification.

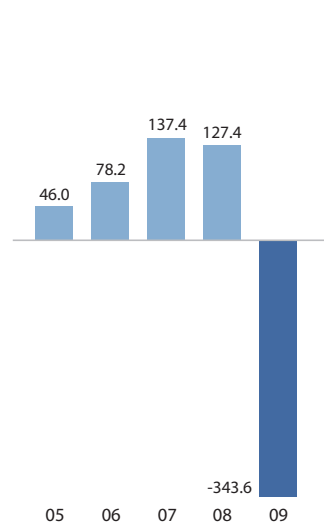
Net sales (Billions of yen)



Operating income (loss) (Billions of yen)  
Operating income ratio (%)



Net income (loss) (Billions of yen)



# TOSHIBA

Leading Innovation >>>

Toshiba delivers technology and products remarkable for their innovation and artistry—contributing to a safer, more comfortable, more productive life.

We bring together the spirit of innovation with our passion and conviction to shape the future and help protect the global environment—our shared heritage.

We foster close relationships, rooted in trust and respect, with our customers, business partners and communities around the world.

Contents

The Toshiba Brand Statement .....	1	CSR Management .....	26
To Our Shareholders .....	2	Research & Development and Intellectual Property .....	28
An Interview with the President .....	4	Corporate Governance .....	30
Action Programs to Improve Profitability .....	8	Directors and Executive Officers .....	32
Special Feature: Toshiba Group — Leading the Way to the Future .....	10	Basic Commitment of the Toshiba Group .....	34
Business Review .....	16	Data Section .....	35



## To Our Shareholders

After the June 2009 annual shareholders' meeting, Norio Sasaki succeeded Atsutoshi Nishida as President & CEO. Under our new leadership, Toshiba Group will pursue an early recovery in business performance through determined implementation of the "Action Programs to Improve Profitability" that we announced at the end of January 2009. At the same time, we are positioning ourselves today to successfully meet the challenges of tomorrow.

In fiscal year 2008, consolidated net sales were ¥6,654.5 billion, a decrease of ¥1,010.8 billion from FY2007. Consolidated operating income (loss) declined by ¥496.6 billion to -¥250.2 billion, and consolidated net income (loss) dropped by ¥471.0 billion to -¥343.6 billion. Our business results became very severe due to such factors as the shrinkage of the overall market as a result of the rapid worsening of the world economy and the steeper than expected decline in prices of semiconductors, mainly of NAND flash memory. As a result, Toshiba, with regret, reduced its annual dividend to ¥5 per share, a ¥7 decrease from FY2007. We can assure you it was a very difficult decision for us to take.

Toshiba is making all-out Group-wide efforts to speedily and effectively carry out its "Action Programs to Improve Profitability." These "Action Programs" were set up with the key objectives of transforming Toshiba Group into a Group with a strongly profitable business structure, one that can generate profit in FY2009 even if the level of sales is not expanding, and building a strong business foundation that will enable us to quickly seize business opportunities when the market begins to recover.

Toshiba will continue to strive to enhance corporate value by promoting four basic management policies: returning to the path of sustained growth with steadily higher profit; setting up ambitious goals for innovation and speed its pace; continuing to accelerate our globalization; and further strengthening CSR management.

We will make it our first priority to achieve the earliest possible business recovery and a return to the path of sustained growth with steadily higher profit. We are confident that we will emerge from the world economic crisis as an even stronger Group than before.

As we follow through on our plans of action, we would like to ask our shareholders for their continued strong support and understanding.



**Atsutoshi Nishida**  
Chairman of the Board and Director



**Norio Sasaki**  
Director  
President and CEO



**Norio Sasaki** Director, President and CEO

“My first priority on becoming president is to improve the profitability of Toshiba Group and return it to the path of sustained growth with steadily higher profit.”

**Q. On becoming President and CEO, what are your aspirations for Toshiba?**

**A.** I am determined to work hard to fulfill everyone’s expectations for the growth and development of Toshiba Group. The synchronized global economic downturn has created a turbulent business environment. To overcome the adverse impacts of the present global economic crisis, my first priority on becoming president is to improve the profitability of Toshiba Group and return it to the path of sustained growth with steadily higher profit. To accomplish these objectives, I will adopt three central strategic policy approaches. First, I will vigorously promote the “Action Programs to Improve Profitability” that we introduced in January 2009. Second, I intend to continue pursuing key basic strategic policy goals such as accelerating the strategic allocation of resources to growth businesses, carrying out management with Corporate Social Responsibility, and speeding up our globalization. Third, I will strive to assure that we react with sensitivity and speed in responding to changes in the business environment. I firmly believe that these three strategic approaches will result in the enhancement of corporate value and lead us to take a giant leap ahead into the next economic era, making Toshiba Group into an even more formidable global competitor. At the same time, with regard to business strategy for the mid- to long-term, I will promote the restructuring of our businesses based on an intensive analysis of the future directions of our businesses and quickly respond to the changing business era by shifting management resources so as to create a more highly profitable business structure.

**Q. What is your assessment of the serious decline in Toshiba's business performance in FY2008 and what measures are you planning to carry out to improve business results in FY2009?**

**A.** The rapidly deteriorating world economy that developed into a deep global recession had powerful adverse impacts on our FY2008 business results. During FY2008, we were hit by major shrinkages in demand due to the rapid worsening of the world economy, steep price declines and the significant strengthening of the Japanese yen.

With regard to our business segments, the Social Infrastructure business segment was steady, though its profit declined. The Electronic Devices segment, particularly the Semiconductor and LCD businesses, fell deeply into the red. The Digital Products segment and the Home Appliances segment also moved into the red.

I expect the current tough business environment will continue into FY2009, so we have to carry out management based on the assumption that rapid recovery of the economy cannot be expected in the short-term. To achieve an early turnaround in the business situation of Toshiba Group, we are currently aggressively implementing our "Action Programs to Improve Profitability."

**Q. Could you explain the essential points about the "Action Programs"?**

**A.** The core objective of the "Action Programs" is to bring about an early return to strong profitability by carrying out a shift to a business structure that can generate high profit even if the level of sales is not increasing. At the same time, we need to set up a business foundation that will position us to immediately and effectively respond by taking advantage of business opportunities when the market environment starts to recover.

Toward this end, we are promoting three key policies. The first of these policies is fundamental restructuring of businesses adversely affected by the severe downturn, particularly the Semiconductor and LCD businesses in the Electronic Devices segment. In the Digital Products segment, we are reevaluating production systems for the TV and Mobile Phone business, and in the Home Appliances segment, we are consolidating production and development bases.

Second is the carrying out of Group-wide measures to strengthen our business structure. To increase profitability, we are making deep cuts in fixed costs, and strengthening our cost competitiveness through innovation and expanding global businesses outside of Japan. Lastly, we are accelerating allocation of strategic resources to growth businesses.

We are strengthening our Social Infrastructure business segment, which is expected to grow significantly in the coming years. The nuclear energy business is particularly promising, and global demand is growing, spurred by awareness of how it contributes to energy security and diversity while countering global warming.

As digital products evolve and diversify, the data storage market will greatly expand, so we are bolstering our capabilities in the SSD (solid state drive) and HDD (hard disk drive) businesses.

From the long-term perspective, we are shifting management resources to new businesses that will create a new era of strong growth and profitability for Toshiba Group.

## An Interview with the President



### Q. Could you outline the details of the Semiconductor business restructuring?

A. Our Semiconductor business has been severely impacted by the sharp worldwide drop in demand and also steep and continuing price declines. Based on a careful assessment of the market situation, restructuring of the Semiconductor business will be implemented in line with the characteristics of each business – discrete, system LSI and NAND flash memory. We are also reducing fixed costs across the business, as well as greatly reducing capital expenditures and improving the qualitative efficiency of R&D activities through expenditure reduction and focusing more on rigorous selection of key R&D themes. In addition, we are reorganizing production facilities, and we have implemented such personnel measures as reassigning personnel to focus areas and making other necessary workforce adjustments.

In anticipation of future demand recovery in NAND flash memory, we acquired needed production equipment from SanDisk Corporation. We are also promoting finer line-width lithography technology. SSD is a highly promising data storage business area where strong expansion in future demand is expected, and we are promoting the growth of our data storage business by maximizing synergies with the HDD business.

In the discrete and system LSI businesses, to secure competitive leadership and improve profitability, we are accelerating the shift of assembly operations to overseas facilities. We are also studying more fundamental restructuring from the perspective of reorganization trends in the industry.

### Q. What measures have you taken to beef up Toshiba Group's financial strength?

A. At the end of FY2008, our financial conditions had deteriorated, reflecting the significant downturn in our performance, growth of interest-bearing debt and reduction in our capital base. In addition to reinforcing the Group-wide efforts to shorten the cash-conversion cycle which we started in FY2008, and aggressively implementing our "Action Programs," in June 2009, we successfully improved our financial position and secured capital for investment in future growth fields by means of a public offering that raised ¥319.2 billion. As a result of this move and other factors, as of the end of June, 2009, the total equity ratio was 19.9%, a 6-point improvement from the end of March 2009, and the debt-to-equity ratio was 133%, a 105-point improvement from the end of March 2009. We further reinforced our financial base by issuing subordinated bonds with a value of ¥180.0 billion.

All these measures will support us in establishing Toshiba Group's business base in the



medium- to long-term and achieving a good balance between growth capabilities and the strengthening of our financial structure.

**Q. What is your view of the role that Toshiba Group's core competency in promoting continuous innovation will play going forward?**

**A.** We are continually seeking ways to promote and accelerate innovation, a pillar of Group management and a key source of our growth. Our Group's creative powers of imagination backed up by our prowess in sensitively reading the trends affecting our businesses will allow us to anticipate and clearly understand the coming changes in the global business environment, and in turn, this thinking process will advance our ability to innovate.

We will passionately focus on the promotion of continuous innovations of great value to society by mobilizing Toshiba's powers of imagination to create the new technologies, products and services that will help meet the central needs of tomorrow's society. The use of our powers of imagination to create continuous innovation will become an even more critical factor in turning Toshiba Group into the most competitive global company in its business segments.

**Q. What vision do you have for Toshiba Group's CSR activities?**

**A.** Toshiba Group promotes CSR-oriented management motivated by its deep convictions about its responsibilities as a "corporate citizen of planet Earth." We place utmost importance on constantly acting with complete integrity in all of our business activities. As we reinforce our global presence, I will ensure that the worldwide Toshiba Group always acts to place its highest priorities on human life, safety and compliance.



The most urgent issues facing mankind are stable energy supply and protecting the global environment. We aim to help people achieve a better quality-of-life lived in harmony with planet Earth through promoting "Toshiba Group Environmental Vision 2050," which states our aggressive goal of raising the eco-efficiency of our products and business processes 10 times by 2050, with 2000 as the benchmark year. For Toshiba, developing sustainable products and technologies is the next frontier of innovation. We aim to become one of the foremost eco-companies in the world.

As a significant step toward global CSR-oriented management in each region around the world, Toshiba Group signed the United Nations Global Compact in 2004. At the same time, in all our business activities, we are committed to a strong policy in support of cultural diversity. We seek to understand and respect the different cultures and ways of thinking, histories and customs as well as the laws and regulations in the communities around the world in which we do business.

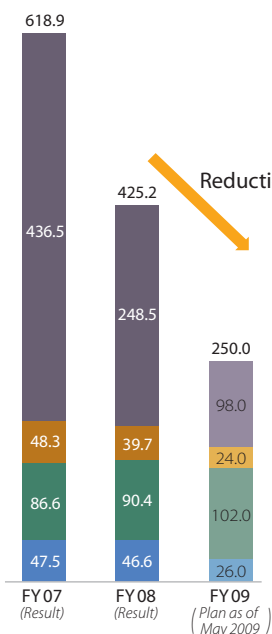
## Action Programs to Improve Profitability

In FY2008, market deterioration of an unprecedented scope and severity resulted in Toshiba Group recording very disappointing business results. Market conditions will continue to remain tough in FY2009, and we need to manage our business without anticipating any fast turnaround.

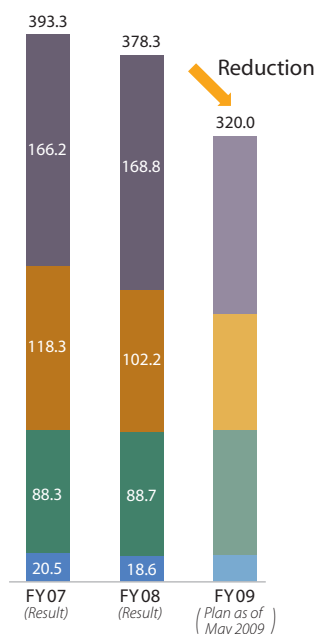
Toshiba Group announced its “Action Programs to Improve Profitability” in January, with the goals of developing a robust profit-making structure that would allow the Group to generate profit even if the level of sales in FY2009 is not increasing, and establishing a strong foundation for making the most of opportunities offered when the market moves towards recovery.

### Reduction of capital expenditures and R&D expenditures

Capital expenditures  
(order basis)  
(Billions of yen)

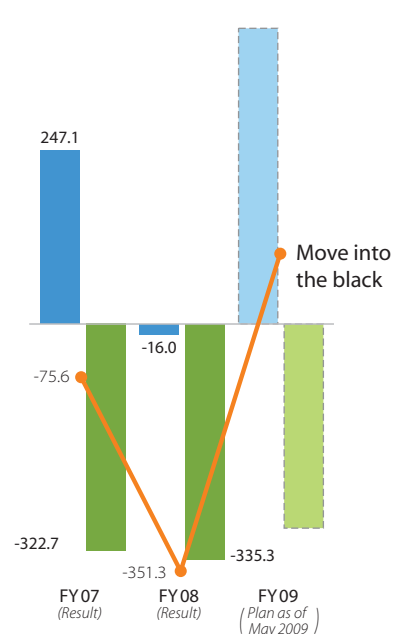


R&D expenditures  
(Billions of yen)



### Improvement in cash flow

Free cash flow  
(Billions of yen)



- Electronic Devices
- Digital Products
- Social Infrastructure
- Home Appliances/Others

- Cash flows from operating activities
- Cash flows from investing activities
- Free cash flow

## Business environment deteriorated rapidly in FY2008

## Business environment remains severe in FY2009

- Implement strategic policies to generate profit, even if the level of sales is not increasing
- Build a strong business foundation that can quickly seize business opportunities when the market recovers

## Complete Full Implementation of “Action Programs to Improve Profitability”

### 1. Restructuring of Businesses Most Affected by the Severe Downturn

- Semiconductor business
  - Continue focused investment in our key NAND flash memory business
  - Promote a flexible production structure for discrete and system LSI products by reorganizing assembly facilities in Japan and shifting production to overseas operations with lower operating costs
- LCD business
  - Concentrate resources on high-value-added products
- Home Appliances business
  - Reorganize manufacturing facilities and consolidate R&D functions in Japan
- Digital Products business
  - Accelerate business expansion in emerging countries and enhance cost-competitiveness by reshaping manufacturing

### 2. Execute Toshiba Group-wide Actions to Strengthen Business Structure

- Comprehensive reduction of fixed costs:
  - Original target: cut fixed costs to ¥300 billion below FY2008 level --- Stretch target is ¥330 billion plus
  - Comprehensive reduction of total fixed costs by more rigorous selection of R&D themes, prudently curtailing capital expenditure, consolidation of facilities and adjusting personnel costs. Channel major resources into developing promising growth businesses in such areas as environment, energy and data storage.
- Measures to generate profit
  - Strengthen cost competitiveness through cost reduction
  - Expand businesses outside Japan

### 3. Accelerate Strategic Allocation of Resources to Growth Businesses

- Shift managerial resources to Social Infrastructure business segment
- Focus on new businesses for a new economic era
  - CCS (Carbon dioxide Capture and Storage)
  - Innovative SCiB™ rechargeable battery
  - Next-generation network devices
  - Vital public facilities and Healthcare
  - Solar photovoltaic systems
  - Direct methanol fuel cell
  - Storage
  - Smart grid
  - New lighting systems

## Improve financial position by procuring funds

- ¥319.2 billion public offering for the purpose of capital expenditure, mainly for strategic investments
- Issue of ¥180.0 billion in unsecured, interest deferrable and early redeemable subordinated bonds

## Return to profitability

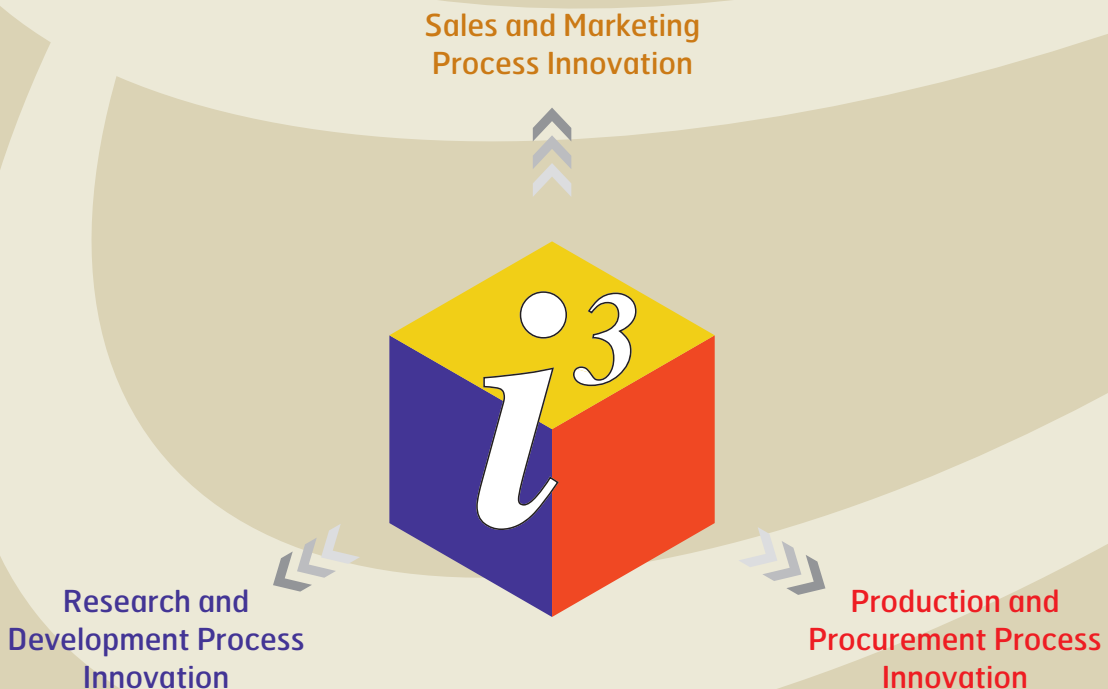
Special Feature:

# Toshiba Group – Leading the Way to the Future

As it strives to strengthen its global business presence, Toshiba Group is developing new businesses that will accelerate its future growth.

To further strengthen its core competency in generating continuous innovation, Toshiba Group is aiming to build an organization that harnesses the full power potential of its business structure and the creative power of its employees in order to reap the full benefits of the multiplier effects of innovation and attain sustained growth with steadily higher profit.

Capitalizing on the many strengths of the Group, Toshiba Group is creating new businesses based on innovative products developed at the right time to meet the emerging needs of society. For this reason, in our innovation activities, while giving full consideration to market needs, technology development, and manufacturing systems, we create new value for our customers by bringing the multiplier effect of innovation to the key processes of research & development, production & procurement, and sales & marketing.



## Innovation Process and the Creation of New Businesses

Toshiba Group's innovation processes allow us to transform ourselves so that we can agilely respond to the constantly changing business environment.

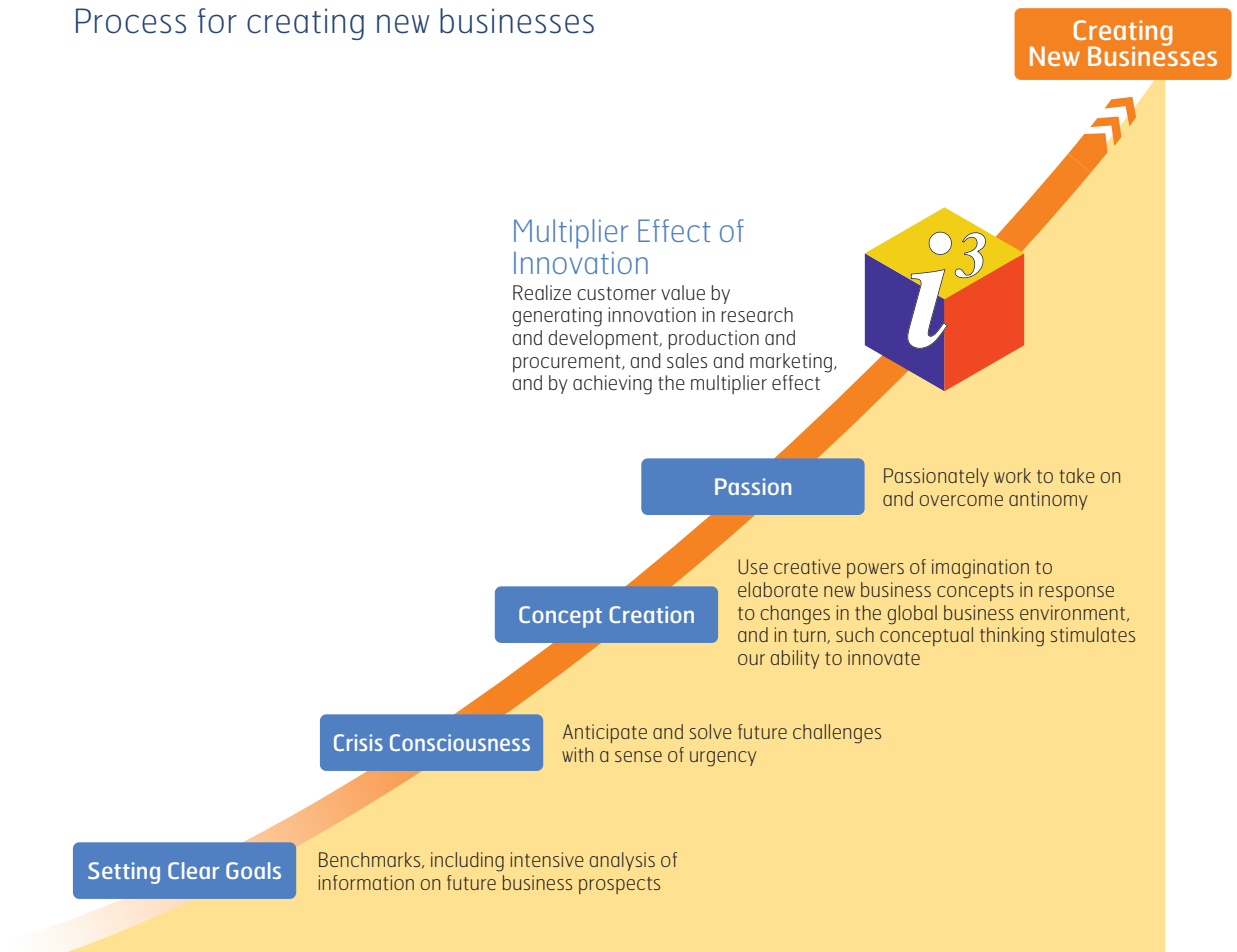
The process of creating new businesses starts from imaginative acts of goal-setting, including setting benchmarks and ambitious goals, which leads to a "sense of urgency" in seeking solutions to business challenges.

After elaboration of new strategic business concepts, ones that take into consideration various risk scenarios, business decisions leading to the commercialization of new products will be made with speed and sensitivity in response to changes in the global business environment.

Toward this end, it is essential to recognize the need to overcome antinomy—the tension between "cost and quality" or "growth and profit"—and to do this through using the powers of imagination to create new ideas that lead to continuous innovation.

To create new businesses and achieve results that drive these new businesses forward, it is necessary to simultaneously generate innovation in research & development, production & procurement, and sales & marketing processes.

### Process for creating new businesses



Through innovation activities, new innovative products are continually created. This special feature shines a spotlight on new businesses and new products generated as a result of Toshiba's innovation activities.

**“REGZA” LCD TV with Super Resolution Technology, “Resolution+”**

Towards Realizing “CELL REGZA”

With the innovative “REGZA” series, Toshiba became the first company to bring super resolution technology, “Resolution+”<sup>\*</sup> to LCD TVs, achieving market-building, high-definition (HD) images highly appreciated by customers.

In order to further pursue real “surprise and sensation” with our TVs, we have continued research and development toward bringing to market the “CELL REGZA.” The top of the “REGZA” line, this integrates a high-performance Cell platform, able to transfer huge amounts of data at high speed.

\*Super resolution technology, “Resolution+” — technology to improve input image resolution by restoring picture signal data lost during the digitization and compression process.

The “REGZA” series continues to evolve features to meet customers’ needs, such as “enjoy HD images,” “enjoy viewing without time constraints,” and “use network functions.”

Toshiba takes HD seriously. Our “metabrain premium,” HD image processing system, and our expert know-how in image creation, have all won excellent reputations in the market. But we went beyond them to lead the industry in commercializing LCD TVs supporting super resolution technology. Moving on, we freed viewers from “time constraints” with TVs integrating high capacity HDD (Hard Disk Drive), and with a dedicated external HDD connected via the TV’s USB port. In channeling “network” power, we led the industry in our work on HD video-on-demand services.

As we pioneer network technologies and services that will realize the digital home of tomorrow, we are also proposing new viewing experiences. At the cutting edge of our efforts here is the “CELL REGZA,” scheduled for release in 2009. This breakthrough LCD TV integrates a high-performance Cell platform. Combining this high-performance CPU with super resolution technology realizes the most advanced image processing technology ever brought to a TV, while support for high-speed processing opens up the way to exciting new services.

Toshiba wants to launch products that define the future of what TVs can do, and where they can go. We will provide new TVs that convey a sense of excellence, of quality and of the essence of reality, and put heart and soul into “REGZA.”

Super Resolution  
Technology,  
“Resolution+”  
Built-in

**Comment from product  
development staff**

“We created the “REGZA” brand because we really wanted to show ‘true images.’ The super resolution technology is the outcome of a long time spent researching basic technology, digital broadcasting, and image creation.”



Digital High-Definition LCD TVs  
“REGZA ZX8000” Series

## SSD (Solid State Drive)

Realizing a Storage Device for the New Generation

Expectations are high for SSD (Solid State Drive), the next-generation data storage device based on NAND flash memory. And that's not surprising, as SSD offers high-speed data access and excellent shock resistance with low power consumption.

Toshiba positions SSD alongside HDD (Hard Disk Drive) as a high growth business, able to respond to diverse market needs for data storage.

With its high-speed data throughput, light weight, and excellent shock resistance, NAND flash memory has established a leading position in the market for data storage devices.

Toshiba is advancing its SSD business by making best use of its NAND flash memory technology and the extensive know-how accumulated in the PC and HDD business.

PCs with SSD offer a comfortable, reliable mobile computing environment delivering high-speed start-up, high-speed data access, and long battery life. There's also a much reduced risk of accidental data losses from shock or vibration. Toshiba is now enhancing its PC line-up by introducing SSD developed in-house to new product series. Toshiba's 512GB SSD, one of the industry's largest models, was integrated into the "Portégé R600," the world's lightest mobile notebook, while the "dynabook NX (Japanese model)" premium compact notebook PC sports a 128GB SSD, and the "NB100/HF (Japanese model)" mini notebook can boast a 64GB SSD.

Toshiba expects to expand its SSD business into the server market, and will develop SSD as a driving force for growth in the memory business.



(from left) 512GB, 256GB, 64GB SSD

High Speed, Light Weight  
Low Power Consumption  
Shock Resistance

### Comment from product development staff

"Everybody with a portable PC wants 'speedy startup,' 'low power consumption and long battery life,' and 'improved shock resistance from no movable parts.' We saw SSD as the solution."



**Innovative SCiB™ Rechargeable Battery**

Developing New Fields for Rechargeable Batteries

Toshiba's SCiB™ is an innovative rechargeable battery\* offering excellent safety, a long lifecycle and a rapid charge capability.

The SCiB™ offers superior operating characteristics and contributes to society as an environmentally conscious product.

\*Rechargeable battery – a battery that stores electricity and that can be recharged and repeatedly used.



Schwinn's Tailwind, an electric bike equipped with the SCiB™

Toshiba has developed the SCiB™, an innovative rechargeable battery that offers higher levels of safety and performance than a conventional lithium-ion rechargeable battery, and is now promoting expansion of the business. SCiB™ achieves a high level of safety by adopting lithium titanate, a noncombustible material, for its negative electrode (lower potential electrode). This alone reduces the possibility

of rupture or combustion under tough conditions of use. SCiB™ also has a long lifecycle, and can repeat the charge-discharge cycle over 6,000 times—while a rapid charge capability allows the battery to fully recharge in only five minutes. Excellent low-temperature characteristics enable use in cold climates, and output power performance is equivalent to that of a capacitor (an electronic device that can charge and discharge high current).

The lithium-ion battery market anticipates strong demand growth for industrial and automobile applications. Given this, Toshiba positions the environmentally conscious SCiB™ as a high growth business able to meet various needs.

Toshiba is drawing on the many and excellent characteristics of the SCiB™ to advance business development in various industrial fields, such as electric bicycles and forklifts, and also aims for applications that include automobiles and solar power generation systems. In anticipation of a future increase in demand, Toshiba plans to build a new mass production base to complement Saku Operations in Nagano Prefecture, Japan, the current manufacturing base.

**Comment from product development staff**

"When developing SCiB™, we focused on safety, high power, a rapid charge capability, and long lifecycle. We realized these outstanding characteristics by developing a high-level, thermally stable, microparticulate electrode material."

Excellent Safety and Long Lifecycle



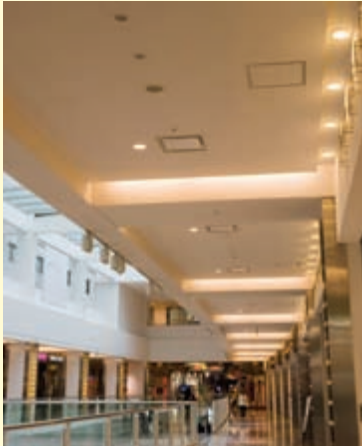
SCiB™, an innovative rechargeable battery



## New Lighting System

Lighting the Way to Warmth and Harmony with People and the Environment

Japan and Europe are expected to switch from standard incandescent lighting to LED (Light Emitting Diode) lighting after 2010, as sales of incandescent bulbs will be discontinued by 2012, in consideration of environmental concerns. Toshiba Group will draw on its extensive capabilities to provide homes, offices, streets and roads with lighting systems that use environmentally conscious LEDs.



Delivered about 2,300 LED lighting devices to Lazona Kawasaki Plaza, a large commercial facility (February 2009)

Since developing Japan's very first incandescent lamps in 1890, Toshiba has constantly refined the meaning of "AKARI" or lighting. It is now doing so again by discontinuing production of standard incandescent lamps in 2010, to promote reduction of CO<sub>2</sub> with energy-saving products.

From now on, by shifting to LEDs and their higher luminous efficiency, Toshiba will offer more environmentally conscious products. And through those products, Toshiba aims to offer the value of "AKARI" that people truly need. Under the "E-CORE™" brand, Toshiba released its first LED downlight, with an integrated power unit equivalent to that of a 40W incandescent lamp, in July 2007. Since then, Toshiba has extended and enriched its lineup and improved luminance and efficiency.

Building on these efforts, Toshiba now positions a new lighting business based on LEDs as a business to be promoted by the Group as a whole, and in April 2008 established the New Lighting Systems Division to take the initiative in management and promotion.

In future, by drawing on the Group's power in such fields as semiconductors and social systems as well as standard lighting systems, Toshiba will develop new lighting systems, and take the business to the global level.



Exhibiting at "Milano Salone," the world's largest design exhibition, in Milan, Italy (April 2009)

### Comment from product development staff

"E-CORE™" LED downlight realizes a brightness surpassing or equivalent to that of an incandescent lamp. Its lifecycle is 20 times that of an incandescent lamp, and power consumption is cut to about one-seventh."

High Efficiency  
Low Environmental  
Burdens



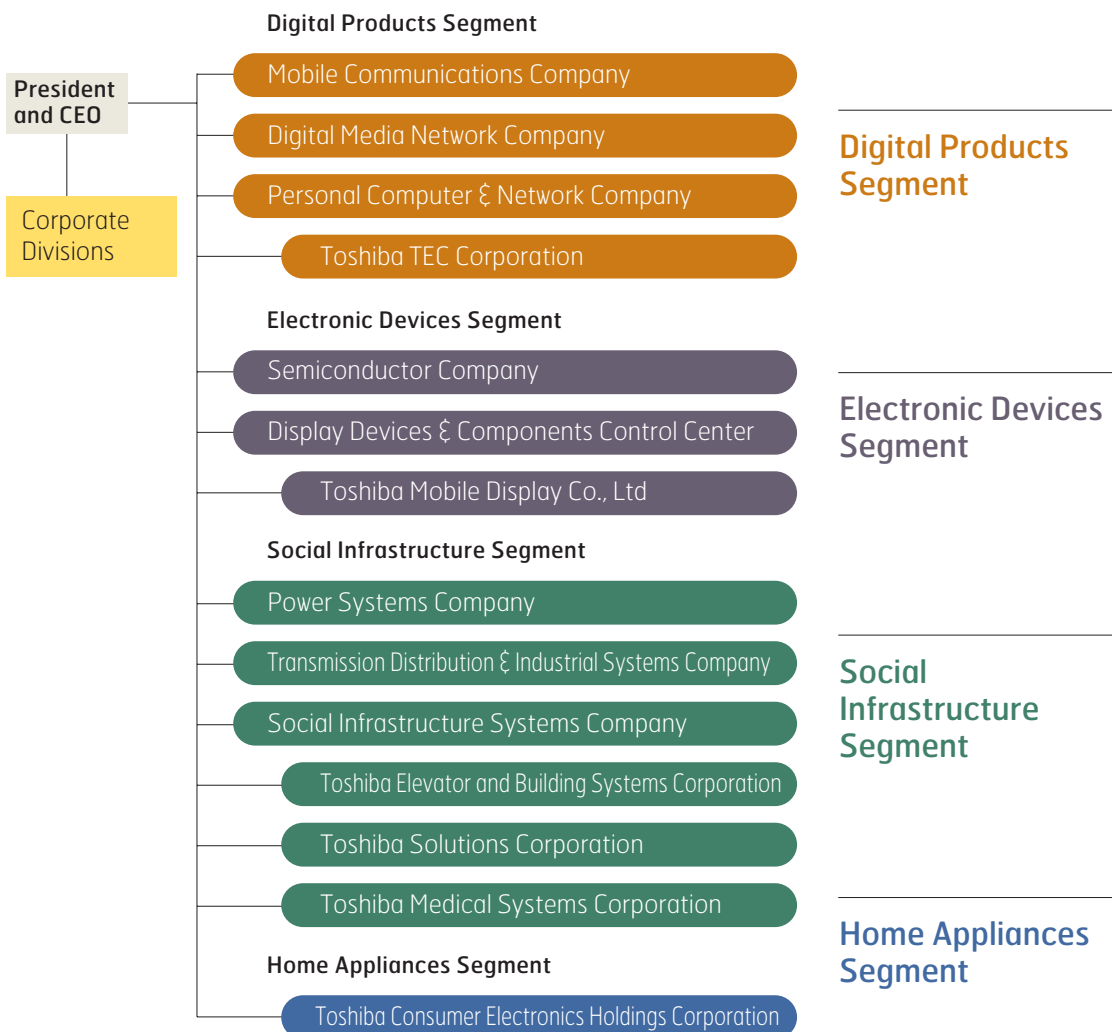
The standard-incandescent-lamp-shaped "E-CORE™" LED 4.3W model is interchangeable with standard incandescent lamps.

## Business Review

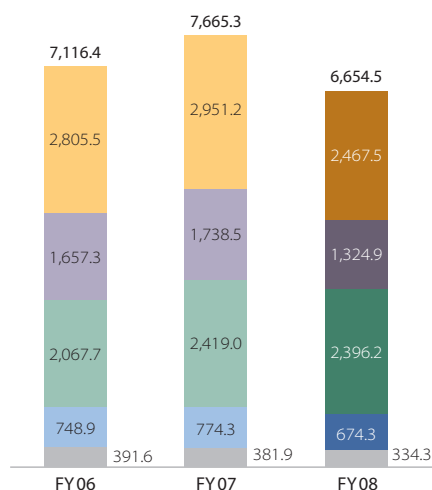
In FY2008, Toshiba Group addressed the need to secure profit on a company-wide basis. However, consolidated net sales in FY2008 were 6,654.5 billion yen, a decrease of 1,010.8 billion yen. This result was strongly influenced by shrinkage of the overall market caused by the fast-spreading global recession, steeper than expected declines in semiconductor prices, and the yen's sharp appreciation.

Consolidated operating income (loss) worsened by 496.6 billion yen to -250.2 billion yen. Electronic Devices, particularly the Semiconductor business, Digital Products and Home Appliances all saw significant income deterioration, although Social Infrastructure maintained a high level of profit.

Overseas sales decreased by 539.2 billion yen to 3,423.7 billion yen, resulting in an overseas sales ratio of 51%.



## Sales by segment (Billions of yen)



Eliminations of sales among segments were -554.6 billion yen in FY2006, -599.6 billion yen in FY2007 and -542.7 billion yen in FY2008.



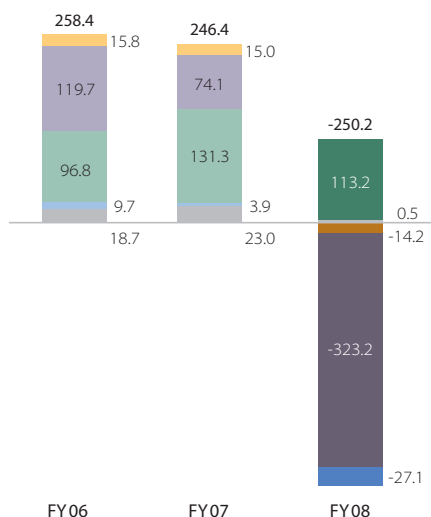
Digital Products saw overall sales decline by 483.7 billion yen to 2,467.5 billion yen. The Digital Media business saw a significant sales decline, particularly in TVs and HDDs, the result of demand declines due to rapid decline into global recession and steeper than expected declines in market prices. The Mobile Phone business also saw notably lower sales due to fewer shipments. The PC business and the Retail Information Systems and Office Equipment business saw lower sales, due to the global recession.

Electronic Devices saw sales decline by 413.6 billion yen to 1,324.9 billion yen. The Semiconductor business, primarily in memories and system LSIs, experienced a substantial sales slump, the result of steeper than expected price declines in NAND flash memory, yen appreciation, and weakened demand triggered by the rapid decline into global recession. The LCD business and the Materials & Components business also saw lower sales.

Social Infrastructure saw sales fall by 22.8 billion yen to 2,396.2 billion yen. While the Power Generation Systems business, mainly in nuclear energy systems in overseas markets, and the Transmission Distribution & Industrial Systems businesses saw higher sales, the Social Infrastructure Systems business, the Medical Systems business and the IT Solution business all saw sales decrease.

Home Appliances saw sales decrease by 100.0 billion yen to 674.3 billion yen. The White Goods business, the Lighting business and the Air-conditioning business saw significantly lower sales, influenced by the rapid decline into global recession.

## Operating income (loss) by segment (Billions of yen)



Eliminations of operating income (loss) among segments were -2.3 billion yen in FY2006, -0.9 billion yen in FY2007 and +0.6 billion yen in FY2008.

Segment operating income (loss) declined by 29.2 billion yen to -14.2 billion yen. The Mobile Phone business saw a notable decline on lower sales. While the Digital Media business saw an improvement in TVs due to reductions in production costs and fixed costs, HDDs saw a significant worsening of profit. The PC business and the Retail Information Systems and Office Equipment business also saw notably decreased profit.

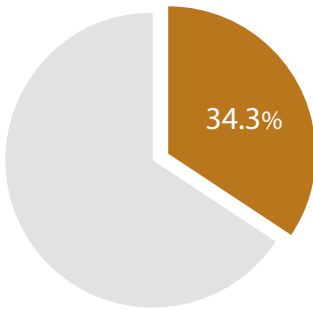
Segment operating income (loss) deteriorated by 397.3 billion yen to -323.2 billion yen, as the Semiconductor business fell substantially into the red on lower sales, and the LCD business also saw notably worsening profit.

Segment operating income decreased by 18.1 billion yen to 113.2 billion yen. The Power Generation Systems business, the Transmission Distribution & Industrial Systems business, the Medical Systems business and the Elevator business maintained high profitability. However, the IT Solutions business saw substantially lower profit mainly on lower sales, influenced by rapid deterioration in the market environment.

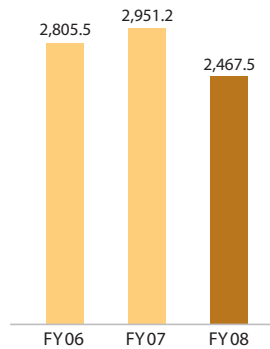
Segment operating income (loss) saw sales deteriorate by 31.0 billion yen to -27.1 billion yen. The White Goods business, the Lighting business and the Air-conditioning business all saw significantly lower profit on lower sales.

# Digital Products Segment

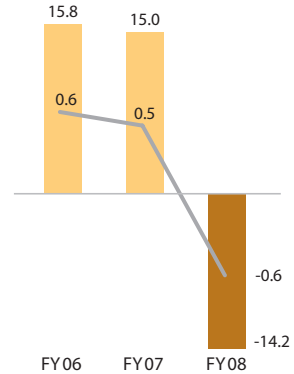
Percentage of sales in FY2008



Sales (Billions of yen)



Operating income (loss) (Billions of yen)  
Operating income ratio (%)



## Mobile Communications Company

Technological strengths in such areas as high-resolution imaging, wireless, and advanced devices support rich communications and total connectivity. The company fuses leading-edge technologies in the multimedia mobile phone terminals that it develops and brings to market.

In FY2008, concerted efforts to enhance product differentiation could be seen in the release of the small size, sport-oriented “Sportio” mobile phone for au, and the “830T” mobile phone, which allowed users to create original designs, developed for Softbank. However, sales fell in a contracting market, the result of a changed handset sales system in Japan, and a slump in global demand triggered by the recession also contributed to the sales decline. As a result, the company reported notably lower sales and fell into the red.

We will continue to release high value-added products that offer a fusion of our in-house technological strengths. We will also advance business restructuring by manufacturing outside of Japan and making use of outsourcing, as a means to reduce costs in the face of shrinking demand for mobile terminals.

## Digital Media Network Company

In AV, we offer digital high-definition LCD TVs and video recorders. In data storage, we lead the world market with small form factor HDD. We develop and release leading-edge products offering unique technologies that differentiate them from competing products and enhance Toshiba’s strength in the digital AV industry.

In FY2008, unit sales of LCD TVs rose, but we faced significant declines in sales prices. In the storage business, demand for HDD for PCs and portable music players weakened. As a result of lower sales, the company’s operating income (loss) fell into the red.

### The “TG01” mobile terminal brings innovation to the mobile internet.

The “TG01” is an unprecedented convergence of information terminal and mobile phone in a multifunctional product offering high-speed communication. At approx. 9.9mm deep, the TG01 sports an approx. 4.1 inch touch screen, and a high-speed CPU that delivers an enjoyable user experience and smooth moving images.



In the fast commoditizing LCD TV business, expansion of business scale is essential to improve profitability. We are also promoting other measures: cutting costs, including a reassessment of global production; and enhancing the brand value of our "REGZA" LCD TVs by maximizing application of our high-resolution imaging technologies. In the storage business, in April 2009, we entered into a definitive agreement with Fujitsu Limited on acquiring its HDD business. Moving forward, the company will maintain high market share and consolidate leadership in small form factor HDD for notebook PCs, automotive applications, mobile devices and other consumer electronics. We will integrate Fujitsu's enterprise HDD business into the overall business, and so expand market share in an area where continued growth in demand is expected.

The company will draw on the differentiated technologies of Toshiba Group to build a strong position and improve performance in an intensely competitive market.

### Personal Computer & Network Company

As ubiquitous connectivity makes its way into the home, the office and the mobile domain, Toshiba Group's cutting-edge core technologies create notebook PCs, servers, business telephone systems, and other equipment that shape a comfortable computing and network environment.

In FY2008, unit sales of notebook PCs initially rose in Japan and overseas, but growth slowed significantly in the recession-hit second half. The notebook PC business saw sales and profits slide on price erosion and a weaker euro. In these circumstances, we met diversifying user needs with notebook PCs with sophisticated

designs and by entering the fast growing mini notebook market. Product-line enhancement supported the release of the "Qosmio" series of AV notebook PCs equipped with the advanced Toshiba QUAD Core HD processor\*, and allowed us to strengthen our notebook PC line-up with solid state drive (SSD).

As we further cultivate the high-growth notebook PC market, and promote further globalization, we will carefully monitor market needs and trends and use our leading-edge core technologies to deliver unsurpassed products.

\* Toshiba QUAD Core HD processor: Real-time, high-level image processing in digital equipment requires a powerful coprocessor. The processor is based on the multi-core technology of the high-performance Cell and runs Toshiba's advanced image processing technology.

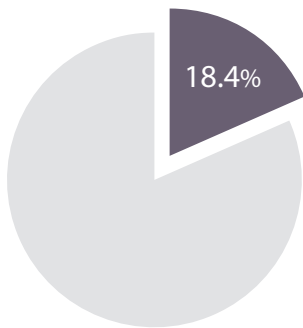


The "Qosmio G50 series" realizes clear, smooth full-screen display of moving images on the Internet.

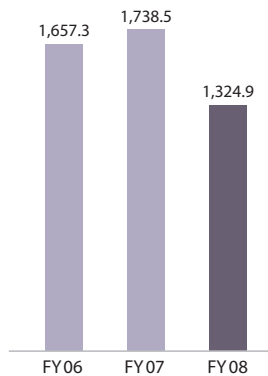
On-line video is poor by comparison with a standard DVD, as the images have fewer frames, less pixels and much more noise. "Qosmio G50" leads the industry in improving images with original algorithms that optimize frames and up-convert pixels.

# Electronic Devices Segment

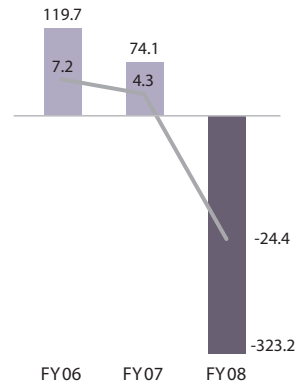
Percentage of sales in FY2008



Sales (Billions of yen)



Operating income (loss) (Billions of yen)  
Operating income ratio (%)



## Semiconductor Company

The company operates in the memory, system LSI and discrete semiconductor businesses. The main focus is on NAND flash memory, system LSIs for digital consumer products, and power devices for electric power supply.

In FY2008, demand for semiconductors for digital consumer electronics and automotive applications was undermined by the global recession. The company recorded significantly lower sales, and fell substantially into the red, on much steeper than anticipated declines in NAND prices, yen appreciation and weakened demand. In these circumstances, we postponed construction of a memory production facility scheduled to open in 2009. As medium- to long-term demand expansion is expected, the company acquired a part of the production facilities for 300mm wafer production owned by a joint venture between the company and US-based SanDisk.

In an extremely tough business environment, the company is implementing structural reforms in each business, to secure survival and readiness for market recovery. The discrete and the system LSI businesses are

reinforcing marketing and reorganizing production facilities as strategic moves to strengthen cost competitiveness and enhance efficiency within the wider Toshiba Group. The memory business will continue to reduce costs through finer lithography, and plans to start shipment of products fabricated to the 32 nanometer (1/1,000 million meters) design rule in 2009. We will also intensify cross-functional business synergies, including collaboration with the HDD business to expand the SSD market.



Toshiba makes semiconductors to meet diversifying needs

Our wide line-up of semiconductors fabricated with fine technologies and expertise meet diversifying market needs, including semiconductors for digital consumer products and automotive applications.

## Display Devices & Components Control Center

The Center supports society with key devices developed by the electron tube, materials, and solid-state device businesses. It also develops direct methanol fuel cells (DMFC) for mobile devices, DNA chips and photocatalysts.

In FY2008, the Center saw lower sales and profit as demand declined. On the plus side were commercialization of a DNA chip kit for experimental animals and of a compact automated DNA chip detection system. The DNA chip kit has been co-developed with the Central Institute for Experimental Animals. Another advance was the development of X-ray tubes supporting nano-level focus for next-generation non-destructive inspection.

We will boost competitiveness in current businesses and enlarge the scale of operations with new businesses, including DMFC and medical-use DNA chips.



Direct Methanol Fuel Cells (DMFC) for mobile devices

We exhibited a prototype of Toshiba's "TG01" mobile terminal integrating a DMFC at the "Mobile World Congress 2009" in Barcelona, Spain, in February 2009.

## Toshiba Mobile Display Co., Ltd.

The company develops low-temperature polysilicon TFT technology and supplies small- to medium-sized, high value-added displays for applications that includes mobile phones, car navigation systems and mobile PCs.

In FY2008, the company recorded a major operating loss on significantly weakened demand and lower prices in the LCD panel market, and yen appreciation.

In this environment, we stopped or scaled back unprofitable lines at Uozu Works and Fukaya Operations in March 2009, toward improving profitability in and beyond FY2009. We recognize organic light-emitting diodes (OLED) as a promising business. We are preparing to build a mass production line for OLED panels at Ishikawa Works, and will introduce products in tandem with market growth.

In April 2009, Toshiba Mobile Display Co., Ltd. became a wholly owned subsidiary of Toshiba Group, when Toshiba acquired all of Panasonic Corporation's interests in the company. This will allow Toshiba to further accelerate decision-making and to promote comprehensive restructuring of the display business.

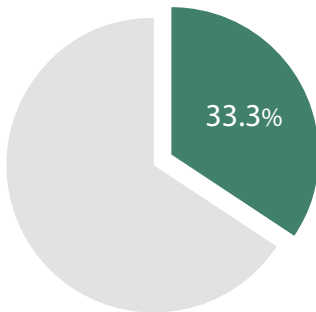


Small-Molecule OLED Panels for mobile devices

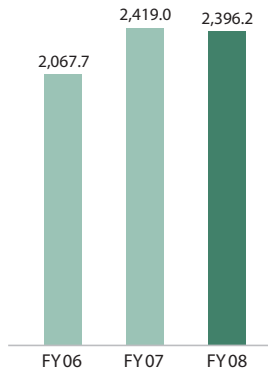
Toshiba Mobile Display and Idemitsu Kosan Co., Ltd. have together developed a small-molecule OLED panel for mobile equipment that achieves the world's highest level of performance for a 2.2-inch OLED panel supporting the QVGA format, with power consumption of 100mW and a luminosity half-life of 60,000 hours.

# Social Infrastructure Segment

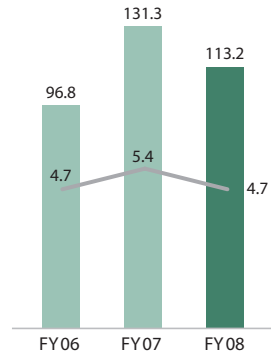
Percentage of sales in FY2008



Sales (Billions of yen)



Operating income (loss) (Billions of yen)  
Operating income ratio (%)



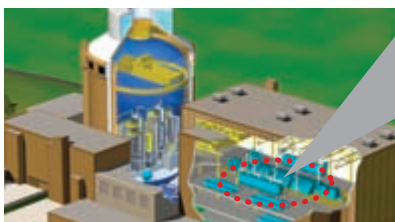
## Power Systems Company

Expertise in nuclear, thermal and hydroelectric power generation supports comprehensive, highly reliable electric power solutions, and drives overseas expansion and a reinforced presence in the power plant services business in Japan.

In FY2008, the company saw higher sales, led by the nuclear energy business, mainly in services for operating plants, and maintained profit at the level of the previous year. The nuclear energy business has received orders for six pressurized water reactors and two advanced boiling water reactors in the U.S.

The thermal and hydroelectric power business established a joint venture to manufacture and market steam turbines and generators for thermal power plants in India, and also enhanced production capacity at a hydroelectric power manufacturing and marketing operation in China.

We will bolster competitiveness toward meeting Japanese demand for plant refurbishment and overseas demand for power generation equipment, and continue to develop products that cut environmental loads, including a CO<sub>2</sub> capture and storage system.



AP1000™ type Nuclear Power Generation System (artist's image)



Steam Turbines for AP1000™ Pressurized Water Reactor (PWR)

Nuclear power offers a solution to global warming and growing global electricity demand. We have already won orders for six PWRs in the U.S., and are developing highly efficient steam turbines for Westinghouse's AP1000™ PWR, which is expected to see adoption around the world.



### **Transmission Distribution & Industrial Systems Company**

The company provides power transmission and distribution systems, transportation systems and industrial systems in Japan and the world market.

In FY2008, higher sales and profit from strong performances in the transmission and distribution (T&D) and the transportation systems businesses, in Japan and overseas, compensated for lower demand in the industrial systems business due to yen appreciation and the recession.

The T&D business promoted globalization by acquiring a Brazilian switchgear company and establishing a protection relays manufacturing and marketing operation in Vietnam. The industrial systems business, anticipating demand expansion, established a manufacturing and marketing company for high-efficiency industrial motors in Vietnam.

In enhancing its environmental businesses, the company is promoting the SCiB™, an innovative rechargeable battery, and will boost production with a second factory to complement the current Saku Operations. A dedicated division, established in January 2009, now controls all aspects of the photovoltaic systems business, drawing on the company's expertise in power electronics, power control systems, and system engineering.

The company will boost demand in Japan, strengthen overseas business and promote and expand new ventures.

### **Social Infrastructure Systems Company**

The company delivers essential social infrastructure, and facilities management systems for buildings, airports, roads and rivers. It also provides water and sewer services and environmental systems, broadcasting and network systems, radio application systems, and security and automation systems.

FY2008 saw lower sales and profits in a tough environment for broadcasting and network systems, despite steady progress in the infrastructure systems business.

Moving forward, the company will promote its facility solutions business, which delivers total systems supporting energy saving and high-level functionality. Expansion in the environmental systems business includes reinforcing remediation technology for the purification of PCB-contaminated soil and a Clean Development Mechanism (CDM) business in Vietnam for emission trading.

We will contribute to society with high-quality infrastructure and diverse solutions and develop new growth businesses that increase profit.

### **Toshiba Elevator and Building Systems Corporation**

We develop, produce and maintain highly efficient, safe, state-of-the-art elevators and escalators, offer upgrades to replace installed equipment, and deliver integrated building management services.

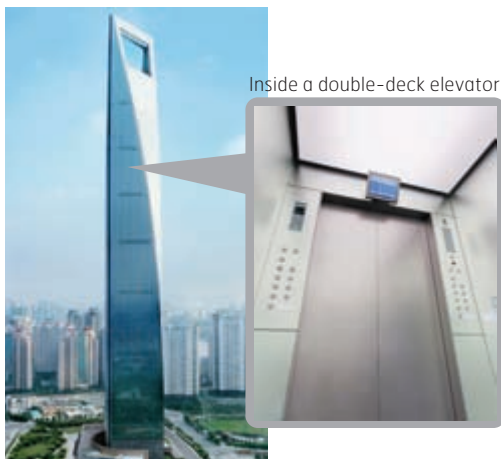
FY2008 saw steady progress in the maintenance and renewal businesses in Japan, with operating income at approximately the same level as in the previous fiscal year, but overall sales decreased on fewer new building starts in Japan and slower sales growth in the

## Business Review

Chinese market.

In October 2008, we received an order from "Tokyo Sky Tree," a 610m high digital broadcasting tower, for the installation of elevators that will be Japan's fastest, large-capacity cars, with the longest travel distance. A December 2008 equity partnership with Hong Kong's Chevalier International Holdings Ltd. is allowing us to strengthen marketing and further expand the elevator business, especially in China and Southeast Asia.

Going forward, we will reinforce business in Japan and expand overseas, with a primary focus on China and Asia.



Inside a double-deck elevator

### High-Speed Elevator for 'the Shanghai World Financial Center'

In August 2008, an ultra high-speed elevator, top speed 600m/minute, and a high-speed double-deck elevator with a floor-height adjustment function, started operation in the 492m high Shanghai World Financial Center in Shanghai, China. (Photo credit: Mori Building Co., Ltd.)

## Toshiba Solutions Corporation

From consulting to outsourcing, for industry and for business, we offer clients a full range of optimized solutions.

FY2008 saw lower sales and operating income, on lower demand for business solutions

and embedded software from manufacturers and distributors in Japan. We launched 'Manufacturing Solution Template' in November 2008, a tool created by analysing common functions and procedures at manufacturing companies introducing new systems. We will continue to bring competitive products to market.

We will improve our sales promotion system from the customer's standpoint, create new growth businesses and reinforce manufacturing as means to provide high-quality solutions for customers in the IT market. This approach will support us in growing sales and strengthening our operating base.

## Toshiba Medical Systems Corporation

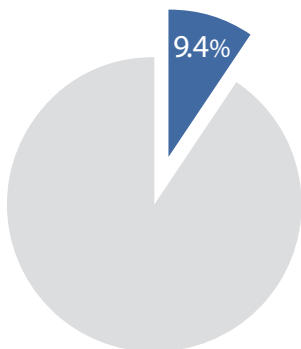
Advanced diagnostic imaging modalities, including CT systems, MRI, ultrasound and X-ray, and medical information systems contribute to global healthcare.

In FY2008, new products, such as the 320 slice Area Detector CT (Aquilion ONE™), recorded sales growth, but overall sales and profit were pulled down by initiatives to control medical costs in advanced countries, the recession, and yen appreciation. The November 2008 acquisition of the 3D imaging processing business from Barco reinforced our R&D activities and global expansion. The January 2009 opening of a 'Customer Support & Training Center' strengthened our global service operations.

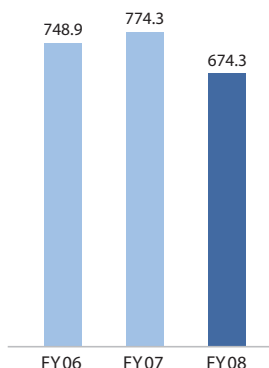
Looking ahead, we will provide medical institutions worldwide with high-quality, reliable products and all required services, and continue to strengthen our competitiveness by developing new technologies.

# Home Appliances Segment

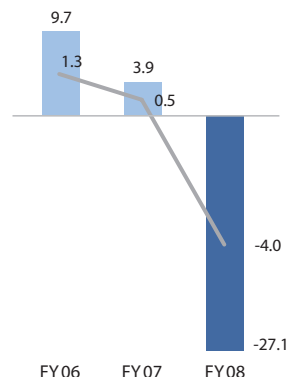
Percentage of sales in FY2008



Sales (Billions of yen)



Operating income (loss) (Billions of yen)  
Operating income ratio (%)



## Toshiba Consumer Electronics Holdings Corporation

We promote the White Goods, Lighting and Air-conditioning businesses.

Sales in the White Goods and Air-conditioning businesses were undermined by lower consumer spending, while a fall-off in new housing starts and demand for industrial light sources brought down sales in the lighting business. As a result, FY2008 results saw a significant operating loss.

We are now promoting all-out reduction of fixed cost and structural reform, reinforcing manufacturing and expanding overseas. With “eco style” concept, we are creating eco-products that contribute to environmental preservation.

### White Goods Business

In FY2008, we continued to market energy-saving white goods with enhanced basic functions. To reinforce global competitiveness we are promoting structural reform. Facility reorganization in Japan will consolidate two manufacturing



Marugoto Sendo Meijin – a high capacity refrigerator that keeps food fresh

bases into one and three development centers into two by the end of December 2009. These moves will reinforce our global competitiveness.

### Lighting Business

In FY2008 we expanded our ‘E-CORE™’ series of LED lights that use less power and offer a much longer life. High value-added products include Neoball-Z Real Pride, a compact self-ballasted fluorescent lamp that offers enhanced energy saving performance.

### Air-conditioning Business

In FY2008’s tough business environment, we promoted innovation and environmental preservation by developing power-conscious products. Our efforts won Japan’s Energy Conservation Awards for industrial air-conditioners and home-use room air-conditioners.



Daiseikai RAS-PDR series – a high value-added, high-performance air-conditioner, and winner of the Energy Conservation Award

# CSR Management

Toshiba Group positions CSR (Corporate Social Responsibility) as a cornerstone of management policy, and addresses issues related to the environment, customer satisfaction, human rights, corporate citizenship, and CSR-related requests to suppliers. We place particular emphasis on the following items.

- 1) We accord the highest priority to human life and safety and to compliance.
- 2) As a corporate citizen of planet Earth, we strive to play a significant role in contributing to a better global environment and respect the different cultures, histories, and customs of the communities where we operate around the world.
- 3) We recognize the importance of communication with stakeholders, including shareholders.

Major Evaluations of Toshiba Group's CSR Activities in FY2008		
Ministry of the Environment, Japan	: Environmental Communication Awards	Environment Minister's Prize
Center for Public Resources Development (Japan)	: Survey of Corporate Social Performance	A (Highest rating)
Integrex (Japan)	: Corporate Integrity and Transparency	1st Place
SAM (Switzerland)	: Corporate Sustainability Assessment	Gold Class
Dow Jones (US)	: Dow Jones Sustainability Index (DJSI)	Selected for 9 consecutive years
Nihon Keizai Shimbun	: Environmental Management Level Survey	2nd Place

## Contributing to a better global environment with energy and eco-products

"Environmental Vision 2050" guides Toshiba Group's efforts to ensure that "people lead richer lifestyles in harmony with the Earth" and promotes various measures for reducing CO<sub>2</sub> emissions.

**Energy:** In order to secure further development in manufacturing power generation equipment, Toshiba's core business, we are promoting safe, efficient nuclear power generation and enhancing the efficiency of thermal power generation with ultra-high temperature steam turbines. We are also promoting CO<sub>2</sub> capture and fixation, dispersed power generation, including fuel cells, and renewable energy, such as hydro, geothermal and photovoltaic power generation. By 2025 we aim to cut CO<sub>2</sub> emissions by 82 million tons.

**Eco-products:** Our target is high-end,

energy-saving electronic devices such as LED lighting (with long life), air-conditioners, LCD TVs, etc. Through new innovative products, we aim to reduce CO<sub>2</sub> emissions by 35.7 million tons by



2025.

Our target is to cut total CO<sub>2</sub> emissions by about 120 million tons—around twice the annual emissions of a mega-city like Tokyo or Greater London.

### Toward a significant reduction in total greenhouse gas emissions

Toshiba Group reduced greenhouse gas emissions from manufacturing and other activities by 50% between 1990 and 2000. However, subsequent expansion of the semiconductor business sent emissions up again, a trend that is expected to continue with construction of new semiconductor factories.

Our past approach was to try to reduce emissions relative to production. However, we aim to increase our efforts to cut emissions based on absolute targets. Priority goes to measures that mitigate global warming, such as building energy-efficient clean rooms and installing greenhouse gas processing equipment. Our goal is to significantly reduce emissions and achieve

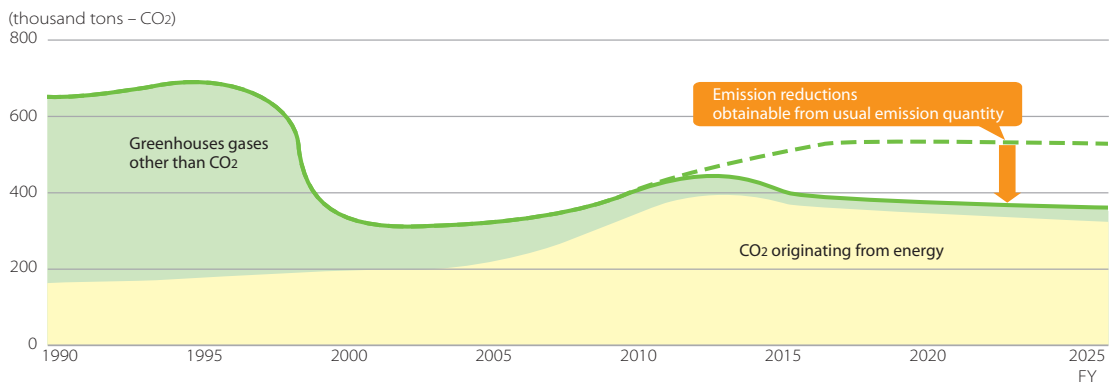
higher productivity. Toward this, by 2012, we are working to control the rate of increase in greenhouse gas emissions. Beyond that, we seek to achieve a reduction of nearly 40% by 2025, as compared to emissions in 1990.

### Realizing the United Nations Global Compact

Toshiba Group signed the United Nations Global Compact (GC) in 2004 and adheres to universal principles on human rights, labor, the environment, and anti-corruption. We educate Toshiba Group employees worldwide on GC, and provide them with copies of the “Toshiba Group Standards of Conduct,” now translated into 15 languages, and which reflects the contents of the GC. Further, Toshiba Group Procurement Policy, based on the GC, requires our suppliers to promote CSR. We regularly monitor our suppliers, and in November 2008 conducted CSR audits of suppliers in Thailand.

Going forward, as a “corporate citizen of planet Earth,” we will seek to maintain the trust of the wider community.

### Changes in total greenhouse gas emissions



\* The report covers Toshiba Group companies in Japan and overseas, and business processes at production and non-production facilities. Values are actual up to FY2008 and projections for subsequent fiscal years. CO<sub>2</sub> emission coefficients of electricity up to 2020 are expected to decrease. (Based on the Japanese government’s plan to increase the zero-emission power source rate, announced in the July 2008 “Action plan to achieve a low-carbon society.”) Business as usual values represent levels of emissions where no reduction measures are deployed. Greenhouse gases excluding CO<sub>2</sub> include methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride.

# Research & Development and Intellectual Property

Policies for enhancing global competitiveness focus on process innovation and value innovation, and we aim to provide environmentally conscious technologies and products that capture and convey ‘surprise and sensation.’ Corporate labs and the development centers of in-house companies collaborate in R&D ranging from fundamental research to product commercialization. Through this approach, we promote a Toshiba Group intellectual property strategy tightly interwoven with business strategy.

## Research & Development

### Activities in FY2008

“Toshiba Group Environmental Vision 2050” promotes various activities in environmental management. Eco Products Approach focuses on environmentally conscious products, such as RoHS-compliant PCs and the new SCiB™ rechargeable battery. Eco Process Approach promotes energy saving clean rooms. Energy Approach supports nuclear power plants free of CO<sub>2</sub> emissions during power generation and environmentally conscious thermal power generation.

We are responding to the recession by channeling investments into such areas as the environment, energy and data storage, through the “Action Programs to Improve Profitability” announced in January 2009. By being more selective in development themes, we are reducing overall R&D costs. We will also enhance R&D efficiency by Group-wide sharing of intellectual property, promoting common platforms, and

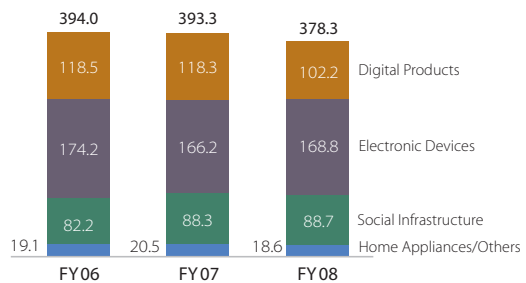
using overseas resources in system development.

Toshiba Group will create new value by promoting constant innovation, and continue to contribute to society with cutting-edge technologies.

### Major achievements in Research & Development

- Commercialized the world’s lightest personal computer, “dynabook SS RX2/WAJ,” integrating a state-of-the-art CPU
- Development of one-segment receiver LSI offering excellent reception and 48% lower power than its predecessor
- Construction of pilot plant for carbon dioxide separation and capture technology
- Development of non-volatile RAM with the world’s largest capacity and highest speed
- Development of mercury-free ceramic metal halide lamp

Research & development costs (Billions of yen)

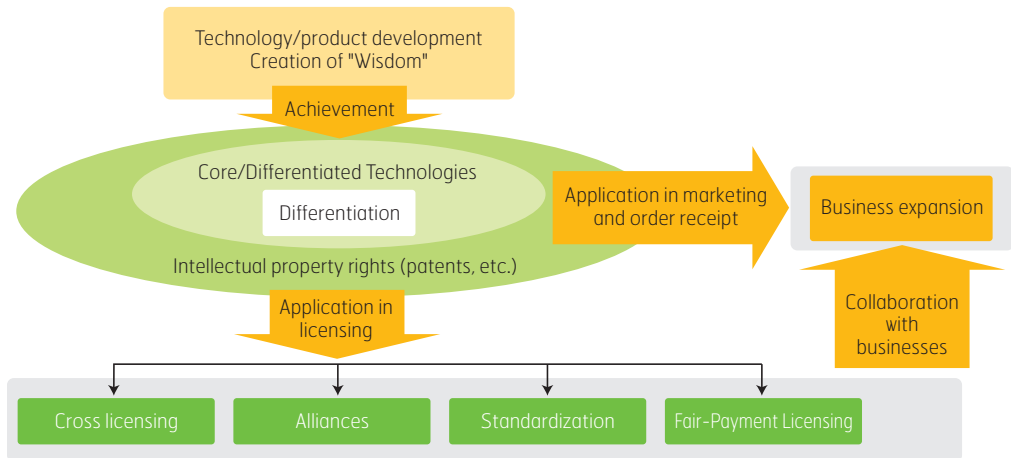


## Intellectual Property

### Intellectual Property Strategy

Toshiba Group’s intellectual property (IP) strategy interweaves with business growth and supports research & development, binding the three into

one. It promotes sustained growth with high profit through measures resting on three pillars: patent applications, patent enforcement and IP management.



A strategy of selective patent application supports globalization by maintaining Japanese patent registrations, supporting efficiency, while increasing overseas registrations, reinforcing protection. In future, more applications in Asia will reflect accelerated global business development.

Our patent enforcement strategy secures our pioneering advantage in IP rights by enclosing our expertise in core and differentiated technologies, and generates operating income.

We will also enforce IP rights in marketing and order receipt, as well as in licensing, depending on the business.

Toshiba's high-tech capabilities consistently earn positive evaluations. In FY2008, the Japan Institute of Invention and Innovation recognized the Group's achievements in contributing to the progress of science and technology and the development of industry with the following awards at the National Commendation for Invention.

<b>The Prime Minister Prize</b>	Patent No. 3281266	"High Quality and Small Footprint Speech Synthesis Method"
<b>The Prize of the Chairman of the Japan Chamber of Commerce and Industry</b>	Patent No. 2916780	"High-resolution Measuring Device for Time Difference"
<b>The Invention Prize</b>	Design Registration No. 1293616	"Design for Built-in Induction-Heating (IH) Stove"

#### Japanese patent registrations (2008)

Ranking	Name	No. of registrations
1	Panasonic	4,776
2	Toshiba	3,255
3	Ricoh	3,168
4	Sony	3,126
5	Toyota Motor	3,049
6	Denso	2,703
7	Seiko Epson	2,625
8	Sharp	2,573
9	Canon	2,550
10	Mitsubishi Electric	2,542

Results shown above are based on survey made using PATOLIS

#### U.S. patent registrations (2008)

Ranking	Name	No. of registrations
1	IBM	4,186
2	Samsung Electronics	3,515
3	Canon	2,114
4	Microsoft	2,030
5	Intel	1,776
6	Panasonic	1,745
7	Toshiba	1,609
8	Fujitsu	1,494
9	Sony	1,485
10	Hewlett-Packard	1,424

Source: U.S. IPI Co., Inc.

#### Chinese patent applications (foreign enterprises: 2008)

Ranking	Name	No. of registrations
1	Samsung Electronics	2,404
2	Panasonic	1,937
3	Philips	1,569
4	Sony	1,537
5	IBM	1,112
6	Toshiba	1,041
7	LG Electronics	994
8	Toyota Motor	978
9	GM Global Technology	959
10	Qualcomm	948

Source: State Intellectual Property Office of the People's Republic of China, 2008 Annual Report

#### Number of Patent Applications by Business Segment (FY2008)

		Corporate Laboratories	Digital Products	Electronic Devices	Social Infrastructure	Home Appliances	Total
Number of Patent Applications	Japan	1,603	1,637	2,090	2,620	366	8,316
	U.S.	896	1,130	1,080	385	4	3,495
	China	312	357	51	238	47	1,005

# Corporate Governance

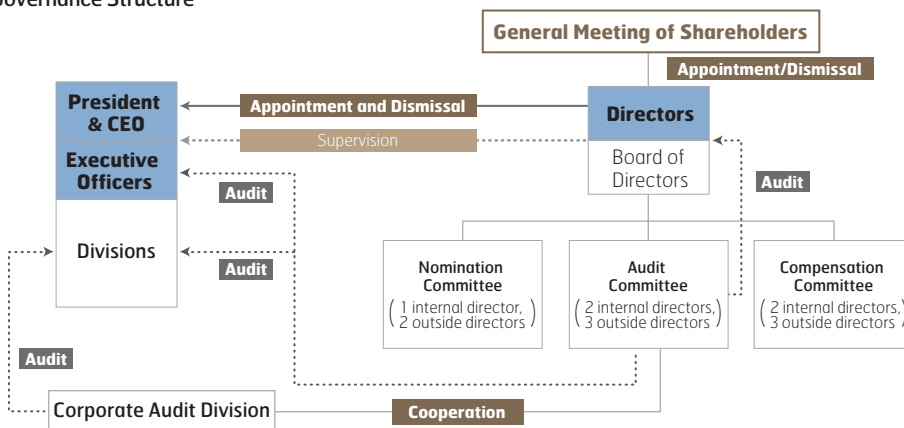
Toshiba promotes corporate governance based on the fundamental policy and objectives of enhancing management efficiency, increasing transparency, and seeking to maximize corporate value from the shareholders' perspective.

## Toshiba's Governance System

For the purpose of improving management mobility, enhancing the management supervisory function, and increasing transparency, Toshiba made the transition to a Company with Committees system in June 2003. The board now has 14 directors, seven of them

non-executive officers. Each of the three committees has a majority of outside directors, and the Nomination Committee and Compensation Committee are both chaired by outside directors.

### Corporate Governance Structure



### TOSHIBA'S CORPORATE GOVERNANCE INITIATIVES

**Q.** Please explain Toshiba's attitude toward corporate governance, and areas where you think you can make a contribution as an outside director.

**A.** Toshiba focuses on CSR management, including environmental measures, and has earned high evaluations from many independent organizations. Compliance forms the foundations of the Company's CSR management, and from what I have seen they make constant efforts to assure proper operation of its internal control systems, and to make sure that a law-abiding spirit permeates the Group. Through my work at the Ministry of Foreign Affairs and overseas missions, I have long experience in diplomacy, and I was always aware of compliance when I carried out my work. As an outside director, I consider the recent growth in overseas business, and express opinions towards ensuring that all employees understand Toshiba as a global corporation, and thoroughly understand and observe compliance. I make proposals to assure that everyone in the group gives first priority to compliance in promoting business.



Outside Director  
Hiroshi Hirabayashi



## **Toshiba's Internal Control Systems**

Toshiba established the Toshiba Group Standards of Conduct in May 1990, based on the Basic Commitment of the Toshiba Group. Toshiba prioritizes respect for life and safety and compliance with laws and regulations. Education programs assure that all employees thoroughly understand and observe the Standards.

Toshiba's board resolved basic policies on internal control systems in April 2006, in accordance with Companies Act of Japan, effective May 2006. Subsequently, Toshiba requested Group companies in Japan to adopt their own policies on internal control, and asked overseas group companies to adopt the Toshiba Group Standards of Conduct and to establish internal control systems, including introduction of their own audit and improvement programs, while taking into consideration the local circumstances and legal requirements faced by each company.

Most recently, Toshiba introduced a corporate-level organization to assess the effectiveness of internal controls on financial reporting, as required by the Financial Instruments and Exchange Law of Japan. Responding to this initiative, the in-house companies and their affiliates around the world established parallel systems. Toshiba will continue to operate appropriate internal control over financial reporting.

## **Compensation for Directors and Executive Officers**

The compensation system for directors and executive officers is designed to assure the efficient execution of their duties.

Directors' compensation is based on their duties and full-time or part-time status.

Executive officers receive grade-based basic compensation, plus service compensation calculated according to their duties. 40% to 50% of service compensation is variable, from zero to double, depending on the year-end performance of the business for which the executive officer is responsible.

In June 2006, the Compensation Committee abolished the system for granting retirement benefits to directors and executive officers.

## **Takeover Defensive Measures**

Toshiba's original countermeasures against large-scale acquisitions of shares in the Company expired in June 2009, and a partially revised three-year plan was approved at the June 24, 2009 ordinary general meeting of shareholders.

The plan protects the Company's corporate value and the common interests of its shareholders by defining procedures to be followed in the event of any large-scale acquisition of the Company's shares. It ensures that shareholders receive all necessary information and the time required to make appropriate decisions, and also secures for the Company the opportunity to negotiate with the acquirer. For more information visit:

[www.toshiba.co.jp/about/ir/en/news/20090508\\_1.pdf](http://www.toshiba.co.jp/about/ir/en/news/20090508_1.pdf)

## Directors and Executive Officers

### Directors



**Atsutoshi Nishida**  
*Chairman of the Board and  
Director*



**Norio Sasaki**  
*Director*



**Masashi Muromachi**  
*Director*



**Fumio Muraoka**  
*Director*



**Masao Namiki**  
*Director*



**Ichiro Tai**  
*Director*

### Executive Officers

*Representative Executive Officer  
President and Chief Executive Officer*  
**Norio Sasaki**

*Representative Executive Officers  
Corporate Senior Executive Vice Presidents*  
**Masashi Muromachi**  
**Fumio Muraoka**  
**Masao Namiki**  
**Ichiro Tai**  
**Yoshihiro Maeda**

*Executive Officers  
Corporate Executive Vice Presidents*  
**Kazuo Tanigawa**  
**Yoshihide Fujii**  
**Toshinori Moriyasu**  
**Hidejiro Shimomitsu**  
**Hisao Tanaka**  
**Hideo Kitamura**



**Yoshihiro Maeda**  
*Director*



**Kazuo Tanigawa**  
*Director*



**Shigeo Koguchi**  
*Director*



**Hiroshi Horioka**  
*Director*



**Kiichiro Furusawa**  
*Outside Director*



**Hiroshi Hirabayashi**  
*Outside Director*



**Takeshi Sasaki**  
*Outside Director*



**Takeo Kosugi**  
*Outside Director*

*Executive Officers*  
*Corporate Senior Vice Presidents*

**Shozo Saito**  
**Toshiharu Watanabe**  
**Ryuichi Nakata**  
**Yasuharu Igarashi**  
**Masahiko Fukakushi**

*Executive Officers*  
*Corporate Vice Presidents*

**Koji Iwama**  
**Satoshi Niikura**  
**Keizo Tani**  
**Hidemi Miura**  
**Shoji Yoshioka**  
**Kosei Okamoto**  
**Kazuyoshi Yamamori**  
**Shiro Kawashita**  
**Tsutomu Sanada**  
**Akira Sudo**

**Makoto Kubo**  
**Hiroshi Saito**  
**Atsuhiko Izumi**  
**Kiyoshi Kobayashi**  
**Masakazu Kakumu**  
**Takaaki Tanaka**  
**Toshio Masaki**  
**Yasuhiro Shimura**  
**Munehiko Tsuchiya**  
**Masaaki Oosumi**

(As of June 24, 2009)

# BASIC COMMITMENT OF THE TOSHIBA GROUP

We, the Toshiba Group companies, based on our total commitment to people and to the future, are determined to help create a higher quality of life for all people, and to do our part to help ensure that progress continues within the world community.

## COMMITMENT TO PEOPLE

We endeavor to serve the needs of all people, especially our customers, shareholders and employees, by implementing forward-looking corporate strategies while carrying out responsible and responsive business activities. As good corporate citizens, we actively contribute to further the goals of society.

## COMMITMENT TO THE FUTURE

By continually developing innovative technologies centering on the fields of Electronics and Energy, we strive to create products and services that enhance human life, and which lead to a thriving, healthy society. We constantly seek new approaches that help realize the goals of the world community, including ways to improve the global environment.



**Committed to People,  
Committed to the Future. TOSHIBA**

## Data Section

Consolidated Financial Summary .....	36
Consolidated Balance Sheets .....	38
Consolidated Statements of Operations .....	40
Quarterly Performance Highlights .....	40
Consolidated Statements of Cash Flows .....	41
Industry Segment Performance .....	42
Geographic Segment Performance .....	43
Long-term Debt .....	43
Organization Chart .....	44
Consolidated Subsidiaries/ Affiliated Companies Accounted for by the Equity Method .....	46
Stock/Shareholders Information .....	47
Corporate History .....	48

Major indices of the Data Section have been compiled chronologically based on the fiscal years. For the details of financial information for the year ended March 31, 2009, please refer to the "Financial Review 2009."

# Consolidated Financial Summary

Year ended March 31	1999	2000	2001	2002
<b>Net Sales, Operating Income (Loss) and Net Income (Loss)</b>				
Net sales	¥5,300.9	¥5,749.4	¥5,951.4	¥5,394.0
Cost of sales	3,890.6	4,254.4	4,323.5	4,070.1
Selling, general and administrative expenses	1,379.8	1,394.0	1,395.7	1,437.5
Operating income (loss)	30.5	101.0	232.1	(113.6)
Income (loss) from continuing operations, before income taxes and minority interest	13.2	(39.2)	197.5	(374.2)
Income taxes	20.9	(4.5)	96.1	(113.9)
Net income (loss)	(9.1)	(32.9)	96.2	(254.0)
EBITDA*1	378.3	352.9	578.4	(18.1)
<b>Profitability Ratios</b>				
Operating income ratio (%)	0.6	1.8	3.9	(2.1)
Return on sales (%)	(0.2)	(0.6)	1.6	(4.7)
Cost of sales ratio (%)	73.4	74.0	72.6	75.5
Selling, general and administrative expenses ratio (%)	26.0	24.2	23.5	26.6
<b>Total Assets, Total Shareholders' Equity and Interest-bearing Debt</b>				
Total assets	6,101.9	5,780.0	5,724.6	5,407.8
Total shareholders' equity	1,128.8	1,060.1	1,047.9	705.3
Interest-bearing debt	2,181.7	1,967.3	1,787.6	1,818.5
Long-term debt	1,178.4	1,121.9	990.3	888.7
Short-term debt	1,003.3	845.4	797.3	929.8
Shareholders' equity ratio (%)**2	18.5	18.3	18.3	13.0
Debt/equity ratio (Times)**3	1.9	1.9	1.7	2.6
<b>R&amp;D, Capital Expenditures, Depreciation</b>				
R&D expenditures	316.7	334.4	327.9	326.2
Capital expenditures (Property, plant and equipment)	375.5	298.5	269.5	348.2
Depreciation (Property, plant and equipment)	309.8	329.6	308.3	311.2
<b>Return Indicators</b>				
Return on equity (ROE) (%)**4	(0.7)	(3.0)	9.1	(29.0)
Return on total assets (ROA) (%)**5	(0.1)	(0.6)	1.7	(4.6)
<b>Efficiency Indicators</b>				
Inventory turnover (Times)**6	5.30	6.27	7.18	7.13
Total assets turnover (Times)**7	0.86	0.97	1.03	0.97
Inventory turnover (Days)**8	66.85	58.25	50.81	51.19
<b>Cash Flows</b>				
Net cash provided by (used in) operating activities	264.9	435.9	453.6	149.2
Net cash used in investing activities	(280.1)	(293.2)	(176.7)	(325.6)
Net cash provided by (used in) financing activities	(94.3)	(158.7)	(285.6)	53.5
Effect of exchange rate changes on cash and cash equivalents	(8.7)	(16.6)	31.1	5.8
Net increase (decrease) in cash and cash equivalents	(118.2)	(32.5)	22.4	(117.2)
Cash and cash equivalents at end of year	497.8	465.2	487.6	370.4
<b>Liquidity Indicators</b>				
Debt/cash flow ratio (%)**9	13.68	15.23	23.22	4.01
Interest coverage ratio (Times)**10	1.0	2.8	6.1	(3.3)
<b>Corporate Value</b>				
Free cash flow**11	(15.1)	142.8	276.9	(176.4)
Market capitalization**12	2,604.2	3,367.1	2,356.3	1,815.5
<b>Other Data</b>				
Number of employees (Consolidated) (Thousands)	198	191	188	176
Number of employees (Non-Consolidated) (Thousands)	63	58	53	46
Ratios of Consolidated to Non-Consolidated Performance (Times) (Net sales)	1.6	1.6	1.6	1.7

\* ¥48.9 billion, ¥4.8 billion and ¥4.1 billion of "Subsidy received on return of substitutional portion of Employees' Pension Fund Plan, net of settlement loss of ¥188.1 billion in 2004, ¥8.0 billion in 2005, ¥5.0 billion in 2006" are classified as a reduction of selling, general and administrative expenses for the years ended March 31, 2004, 2005 and 2006, respectively.

• Operating income (loss) has been determined under financial reporting practices generally accepted in Japan and is defined as net sales less cost of sales and selling, general and administrative expenses.

• Beginning with the fiscal year ended March 31, 2001, Toshiba has adopted Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Prior-period data for the fiscal years ended March 31, 1999 and 2000, has been restated to conform with SFAS No. 115.

• Beginning with the fiscal year ended March 31, 2006, equity in earnings (losses) of affiliates has been included in income (loss) from continuing operations, before income taxes and minority interest. Prior-period data for the fiscal years ended March 31, 1999 through 2005 has been reclassified to conform with the current classification.

• Beginning with the fiscal year ended March 31, 2009, operating results of The Mobile Broadcasting business are accounted for in accordance with SFAS No.144 "Accounting for the Impairment or Disposal of Long-Lived Assets" where the business is reclassified as a discontinued operation in the consolidated financial statements. Prior-period data for the fiscal years up to March 31, 2008 has been reclassified to conform with the current classification.

(Billions of yen)

2003	2004	2005	2006	2007	2008	2009
¥5,655.8	¥5,579.5	¥5,836.1	¥6,343.5	¥7,116.4	¥7,665.3	¥6,654.5
4,146.5	4,075.3	4,296.6	4,659.8	5,312.2	5,756.6	5,366.1
1,393.8	1,329.6	1,384.8	1,443.1	1,545.8	1,662.3	1,538.6
115.5	174.6	154.8	240.6	258.4	246.4	(250.2)
56.6	137.3	115.0	182.3	327.1	265.0	(279.3)
48.9	102.8	57.5	91.8	157.0	113.4	54.3
18.5	28.8	46.0	78.2	137.4	127.4	(343.6)
341.7	406.9	378.1	461.1	651.9	685.0	104.2
2.0	3.1	2.7	3.8	3.6	3.2	(3.8)
0.3	0.5	0.8	1.2	1.9	1.7	(5.2)
73.3	73.0	73.6	73.5	74.6	75.1	80.6
24.6	24.6	23.7	22.7	21.7	21.7	23.1
5,238.9	4,462.2	4,571.4	4,727.1	5,932.0	5,935.6	5,453.2
571.1	755.0	815.5	1,002.2	1,108.3	1,022.3	447.3
1,653.4	1,199.5	1,111.4	917.5	1,158.5	1,261.0	1,810.7
882.0	701.9	683.4	611.4	956.2	740.7	776.8
771.4	497.6	428.0	306.1	202.3	520.3	1,033.9
10.9	16.9	17.8	21.2	18.7	17.2	8.2
2.9	1.6	1.4	0.9	1.0	1.2	4.0
331.5	336.7	348.0	372.4	394.0	393.3	378.3
230.5	227.3	318.4	338.8	375.3	465.0	357.1
237.9	223.9	215.8	228.6	259.9	340.9	308.7
2.9	4.3	5.9	8.6	13.0	12.0	(46.8)
0.3	0.6	1.0	1.7	2.6	2.1	(6.0)
8.55	8.87	9.13	9.65	9.71	9.28	8.27
1.06	1.15	1.29	1.36	1.34	1.29	1.17
42.69	41.17	40.00	37.83	37.61	39.35	44.15
271.6	322.7	305.5	501.4	561.5	247.1	(16.0)
(148.0)	(189.5)	(243.1)	(303.4)	(712.8)	(322.7)	(335.3)
(159.8)	(132.7)	(92.3)	(235.3)	154.8	46.6	478.5
(7.2)	(8.3)	5.6	13.2	34.9	(31.7)	(32.0)
(43.3)	(7.8)	(24.2)	(24.1)	38.4	(60.7)	95.2
327.1	319.3	295.0	270.9	309.3	248.6	343.8
16.09	19.47	24.87	32.77	41.46	41.96	0.40
5.3	8.9	7.6	10.3	8.9	6.9	(6.8)
123.6	133.2	62.4	198.0	(151.3)	(75.6)	(351.3)
1,007.6	1,519.4	1,442.1	2,201.8	2,533.4	2,155.9	822.4
166	161	165	172	191	198	199
40	32	31	32	32	33	34
1.7	1.9	2.1	1.9	2.0	2.1	2.1

\*1. EBITDA = Income (loss) from continuing operations, before income taxes and minority

interest + Interest + Depreciation

\*2. Shareholders' equity ratio (%) = Total shareholders' equity / Total assets × 100

\*3. Debt/equity ratio (Times) = Interest-bearing debt / Total shareholders' equity

\*4. Return on equity (ROE) (%) = Net income (loss) / Average total shareholders' equity × 100

\*5. Return on total assets (ROA) (%) = Net income (loss) / Average total assets × 100

\*6. Inventory turnover (Times) = Net sales / Average inventory

\*7. Total assets turnover (Times) = Net sales / Average total assets

\*8. Inventory turnover (Days) = 365 / Inventory turnover

\*9. Debt/cash flow ratio (%) = (Net income (loss) + Depreciation and amortization) / Average interest-bearing debt × 100

\*10. Interest coverage ratio (Times) = (Operating income (loss) + Interest and dividends) / Interest expense

\*11. Free cash flow = Net cash provided by operating activities + Net cash used in investing activities

\*12. Market capitalization = Common stock price [Year-end/Yen/Close] × Total issued shares

## Consolidated Balance Sheets

(Millions of yen)

March 31	2005	2006	2007	2008	2009
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	¥ 295,003	¥ 270,921	¥ 309,312	¥ 248,649	¥ 343,793
Notes and accounts receivable, trade					
Notes	95,207	101,208	106,395	80,312	64,260
Accounts	1,052,288	1,181,943	1,295,808	1,253,108	1,038,396
Allowance for doubtful notes and accounts	(26,599)	(28,671)	(30,599)	(21,417)	(19,270)
Inventories	649,998	664,922	801,513	851,452	758,305
Deferred tax assets	131,144	146,655	138,714	148,531	141,008
Prepaid expenses and other current assets	277,278	309,638	370,064	368,747	394,139
	2,474,319	2,646,616	2,991,207	2,929,382	2,720,631
<b>Long-term Receivables and Investments:</b>					
Long-term receivables	19,090	18,883	19,329	7,423	3,987
Investments in and advances to affiliates	193,266	228,402	240,249	321,166	340,756
Marketable securities and other investments	194,191	240,456	250,536	264,149	190,110
	406,547	487,741	510,114	592,738	534,853
<b>Property, Plant and Equipment:</b>					
Land	169,464	161,503	156,445	128,210	98,116
Buildings	1,064,760	1,084,433	1,146,350	1,160,549	996,709
Machinery and equipment	2,349,258	2,402,752	2,594,284	2,598,042	2,698,626
Construction in progress	60,547	64,345	104,612	215,937	114,617
	3,644,029	3,713,033	4,001,691	4,102,738	3,908,068
Less—Accumulated depreciation	(2,479,846)	(2,536,483)	(2,681,489)	(2,770,560)	(2,818,489)
	1,164,183	1,176,550	1,320,202	1,332,178	1,089,579
<b>Other Assets:</b>					
Deferred tax assets	348,713	237,334	211,336	285,757	352,948
Other	177,650	178,872	899,103	795,582	755,214
	526,363	416,206	1,110,439	1,081,339	1,108,162
	¥4,571,412	¥4,727,113	¥5,931,962	¥5,935,637	¥5,453,225

For more information, please visit our IR web site at <http://www.toshiba.co.jp/about/ir/en/finance/index.htm>



(Millions of yen)

March 31	2005	2006	2007	2008	2009
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current Liabilities:</b>					
Short-term borrowings	¥ 197,765	¥ 142,530	¥ 71,626	¥ 257,831	¥ 747,971
Current portion of long-term debt	230,285	163,558	130,703	262,422	285,913
Notes payable, trade	67,291	63,574	59,592	55,870	40,291
Accounts payable, trade	906,248	1,037,048	1,305,639	1,168,389	963,573
Accounts payable, other and accrued expenses	349,009	411,220	508,888	516,046	366,219
Accrued income and other taxes	46,561	48,725	77,625	89,763	38,418
Advance payments received	134,326	144,362	229,635	248,280	268,083
Other current liabilities	335,358	397,953	427,583	387,386	357,305
	2,266,843	2,408,970	2,811,291	2,985,987	3,067,773
<b>Long-Term Liabilities:</b>					
Long-term debt	683,396	611,430	956,156	740,710	776,768
Accrued pension and severance costs	581,598	474,198	540,216	634,589	719,396
Other liabilities	79,361	72,025	191,263	182,175	130,007
	1,344,355	1,157,653	1,687,635	1,557,474	1,626,171
<b>Minority Interest in Consolidated Subsidiaries</b>					
	144,707	158,325	324,715	369,911	311,935
<b>Shareholders' Equity:</b>					
Common stock	274,926	274,926	274,926	280,126	280,281
Additional paid-in capital	285,736	285,743	285,765	290,936	291,137
Retained earnings	511,185	570,080	681,795	774,461	395,134
Accumulated other comprehensive loss	(254,753)	(126,509)	(131,228)	(322,214)	(517,996)
Treasury stock, at cost	(1,587)	(2,075)	(2,937)	(1,044)	(1,210)
	815,507	1,002,165	1,108,321	1,022,265	447,346
Commitments and contingent liabilities					
	¥4,571,412	¥4,727,113	¥5,931,962	¥5,935,637	¥5,453,225

(Millions of yen)

March 31	2005	2006	2007	2008	2009
<b>Accumulated Other Comprehensive Loss:</b>					
Unrealized gains on securities	¥ 33,479	¥ 57,246	¥ 80,801	¥ 53,461	¥ 21,639
Foreign currency translation adjustments	(68,849)	(32,019)	(21,938)	(117,552)	(222,773)
Minimum pension liability adjustment	(219,315)	(151,351)	—	—	—
Pension liability adjustment	—	—	(190,118)	(256,839)	(314,578)
Unrealized gains (losses) on derivative instruments	(68)	(385)	27	(1,284)	(2,284)

## Consolidated Statements of Operations

(Millions of yen)

Year ended March 31	2005	2006	2007	2008	2009
<b>Sales and Other Income:</b>					
Net sales	¥5,836,139	¥6,343,506	¥7,116,350	¥7,665,332	<b>¥6,654,518</b>
Subsidy received on return of substitutional portion of Employees' Pension Fund Plan, (net of settlement loss of ¥7,992 million in 2005 and ¥5,045 million in 2006)	4,836	4,085	—	—	—
Interest and dividends	10,564	13,485	24,375	26,863	<b>19,432</b>
Equity in earnings of affiliates	4,440	—	39,300	28,023	<b>9,596</b>
Other income	58,156	49,605	155,270	212,827	<b>146,923</b>
	5,914,135	6,410,681	7,335,295	7,933,045	<b>6,830,469</b>
<b>Costs and Expenses:</b>					
Cost of sales	4,296,572	4,659,795	5,312,179	5,756,603	<b>5,366,087</b>
Selling, general and administrative	1,389,596	1,447,186	1,545,807	1,662,336	<b>1,538,617</b>
Interest	21,749	24,601	31,934	39,825	<b>33,693</b>
Equity in losses of affiliates	—	300	—	—	—
Other expense	91,211	96,470	118,244	209,232	<b>171,324</b>
	5,799,128	6,228,352	7,008,164	7,667,996	<b>7,109,721</b>
<b>Income (loss) from continuing operations, before income taxes and minority interest</b>	115,007	182,329	327,131	265,049	<b>(279,252)</b>
<b>Income Taxes:</b>					
Current	50,419	57,051	88,911	102,740	<b>52,308</b>
Deferred	7,061	34,781	68,113	10,635	<b>2,015</b>
Income (loss) from continuing operations, before minority interest	57,527	90,497	170,107	151,674	<b>(333,575)</b>
Minority interest in income (loss) of consolidated subsidiaries	9,247	9,849	15,676	14,765	<b>(3,795)</b>
Income (loss) from continuing operations	48,280	80,648	154,431	136,909	<b>(329,780)</b>
Loss from discontinued operations, net of taxes	(2,239)	(2,462)	(17,002)	(9,496)	<b>(13,779)</b>
Net income (loss)	¥ 46,041	¥ 78,186	¥ 137,429	¥ 127,413	<b>¥ (343,559)</b>

## Quarterly Performance Highlights

(Millions of yen)

Year ended March 31	1st quarter		2nd quarter		3rd quarter		4th quarter	
	2008	2009	2008	2009	2008	2009	2008	2009
Net sales	¥1,663,839	<b>¥1,618,101</b>	¥2,024,699	<b>¥1,876,601</b>	¥1,877,862	<b>¥1,488,305</b>	¥2,098,932	<b>¥1,671,511</b>
Operating income (loss)	23,144	<b>(22,875)</b>	63,842	<b>4,384</b>	43,694	<b>(157,676)</b>	115,713	<b>(74,019)</b>
Net income (loss)	20,632	<b>(11,605)</b>	25,025	<b>(26,849)</b>	80,505	<b>(121,143)</b>	1,251	<b>(183,962)</b>
Earnings per share (Basic) (¥)	6.42	<b>(3.59)</b>	7.75	<b>(8.30)</b>	24.88	<b>(37.44)</b>	0.39	<b>(56.85)</b>

For more information, please visit our IR web site at <http://www.toshiba.co.jp/about/ir/en/finance/index.htm>

## Consolidated Statements of Cash Flows

	(Millions of yen)				
Year ended March 31	2005	2006	2007	2008	2009
<b>Cash Flows from Operating Activities:</b>					
Net income (loss)	¥ 46,041	¥ 78,186	¥137,429	¥127,413	¥(343,559)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	241,362	254,217	292,875	380,160	349,764
Provisions for pension and severance costs, less payments	2,641	4,809	(22,720)	(19,035)	(13,733)
Deferred income tax provision (benefit)	5,525	33,091	56,444	10,635	(7,843)
Equity in (earnings) losses of affiliates	5,816	20,023	(12,579)	(13,340)	1,215
(Gain) loss from sales, disposal and impairment of property and securities, net	3,351	18,070	(79,416)	(146,369)	(34,587)
Minority interest in income (loss) of consolidated subsidiaries	9,247	9,849	15,676	14,765	(3,795)
(Increase) decrease in notes and accounts receivable, trade	(63,750)	(86,420)	(51,620)	29,138	186,676
(Increase) decrease in finance receivables, net	(3,927)	0	0	0	0
(Increase) decrease in inventories	(10,107)	31,927	(82,926)	(64,688)	60,517
Increase (decrease) in notes and accounts payable, trade	82,427	90,482	220,619	(115,047)	(182,501)
Increase (decrease) in accrued income and other taxes	9,722	816	23,353	18,283	(51,647)
Increase (decrease) in advance payments received	(51,263)	(7,121)	29,459	47,617	27,018
Other	28,448	53,497	34,880	(22,404)	(3,536)
Net cash provided by (used in) operating activities	305,533	501,426	561,474	247,128	(16,011)
<b>Cash Flows from Investing Activities:</b>					
Proceeds from sale of property, plant and equipment	42,094	81,503	112,015	212,064	210,653
Proceeds from sale of securities	34,138	12,379	9,586	2,805	4,035
Acquisition of property, plant and equipment	(271,635)	(316,702)	(376,707)	(407,692)	(477,720)
Purchase of securities	(12,397)	(14,940)	(13,508)	(82,898)	(29,609)
(Increase) decrease in investments in affiliates	(7,051)	(20,872)	51,044	(41,367)	(43,399)
Other	(28,255)	(44,753)	(495,212)*	(5,614)	732
Net cash used in investing activities	(243,106)	(303,385)	(712,782)	(322,702)	(335,308)
<b>Cash Flows from Financing Activities:</b>					
Proceeds from long-term debt	251,563	108,393	467,717	190,524	337,415
Repayment of long-term debt	(211,280)	(250,884)	(199,570)	(283,013)	(275,976)
Increase (decrease) in short-term borrowings, net	(105,416)	(60,638)	(81,305)	187,321	469,026
Dividends paid	(17,104)	(22,808)	(30,431)	(46,406)	(50,350)
Repurchase of subsidiary common stock	(634)	(86)	(829)	(715)	(1,318)
Purchase of treasury stock, net	(586)	(481)	(841)	(1,138)	(345)
Other	(8,867)	(8,794)	55	—	—
Net cash provided by (used in) financing activities	(92,324)	(235,298)	154,796	46,573	478,452
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>					
	5,623	13,175	34,903	(31,662)	(31,989)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>					
	(24,274)	(24,082)	38,391	(60,663)	95,144
<b>Cash and Cash Equivalents at Beginning of Year</b>					
	319,277	295,003	270,921	309,312	248,649
<b>Cash and Cash Equivalents at End of Year</b>					
	¥295,003	¥270,921	¥309,312	¥248,649	¥343,793
<b>Supplemental Disclosure of Cash Flow Information:</b>					
Cash paid during the year for—					
Interest	¥ 21,761	¥ 24,538	¥ 30,892	¥ 40,356	¥ 35,004
Income taxes	¥ 38,539	¥ 62,925	¥ 59,272	¥107,431	¥140,923

\*Includes the acquisition of Westinghouse Group in the amount of ¥461,338 million.

## Industry Segment Performance

(Billions of yen)

Year ended March 31	2005 Change (%)		2006 Change (%)		2007 Change (%)		2008 Change (%)		2009 Change (%)	
<b>Digital Products</b>										
Net sales	¥2,224.2	10.7	¥2,536.5	14.0	¥2,805.5	10.6	¥2,951.2	5.2	¥2,467.5	(16.4)
Share of net sales (%)	35.1	—	36.9	—	36.6	—	35.7	—	34.3	—
Operating income (loss)	7.3	—	20.9	187.1	15.8	(24.3)	15.0	(4.6)	(14.2)	—
Operating income ratio (%)	0.3	—	0.8	—	0.6	—	0.5	—	(0.6)	—
Number of employees (Thousands)	43	2.4	45	4.7	46	2.2	49	6.5	48	(2.0)
R&D expenditures	101.7	7.4	108.3	6.5	118.5	9.4	118.3	(0.2)	102.2	(13.6)
Depreciation	32.6	(8.3)	32.1	(1.5)	42.5	32.5	38.5	(9.5)	33.3	(13.5)
Capital expenditures	36.5	(24.9)	44.2	21.2	40.5	(8.3)	37.5	(7.4)	39.4	5.0
Total assets	966.1	10.7	1,092.1	13.0	1,242.6	13.8	1,290.4	3.9	954.9	(26.0)
<b>Electronic Devices</b>										
Net sales	1,307.2	1.8	1,388.1	6.2	1,657.3	19.4	1,738.5	4.9	1,324.9	(23.8)
Share of net sales (%)	20.7	—	20.2	—	21.6	—	21.0	—	18.4	—
Operating income (loss)	92.5	(20.9)	123.3	33.3	119.7	(2.9)	74.1	(38.1)	(323.2)	—
Operating income ratio (%)	7.1	—	8.9	—	7.2	—	4.3	—	(24.4)	—
Number of employees (Thousands)	33	(5.7)	33	0.0	35	6.1	35	0.0	35	0.0
R&D expenditures	164.5	4.9	174.5	6.1	174.2	(0.2)	166.2	(4.6)	168.8	1.6
Depreciation	132.7	18.0	148.0	11.6	169.1	14.3	229.5	35.7	210.0	(8.5)
Capital expenditures	239.3	75.8	239.5	0.0	269.7	12.6	367.4	36.2	266.9	(27.3)
Total assets	1,271.0	2.4	1,323.7	4.1	1,449.8	9.5	1,552.8	7.1	1,437.9	(7.4)
<b>Social Infrastructure</b>										
Net sales	1,765.3	3.0	1,882.3	6.6	2,067.7	9.9	2,419.0	17.0	2,396.2	(0.9)
Share of net sales (%)	27.9	—	27.4	—	27.0	—	29.3	—	33.3	—
Operating income	48.6	(17.1)	76.5	57.6	96.8	26.4	131.3	35.7	113.2	(13.7)
Operating income ratio (%)	2.8	—	4.1	—	4.7	—	5.4	—	4.7	—
Number of employees (Thousands)	54	50.0	57	5.6	67	17.5	70	4.5	74	5.7
R&D expenditures	61.7	(0.8)	70.9	14.9	82.2	16.0	88.3	7.4	88.7	0.4
Depreciation	34.6	(8.1)	35.0	1.1	41.8	19.4	59.9	43.3	62.6	4.5
Capital expenditures	36.6	32.4	44.1	20.4	58.8	33.4	67.7	15.2	105.8	56.3
Total assets	1,493.2	(2.4)	1,578.0	5.7	2,385.3	51.2	2,338.0	(2.0)	2,427.5	3.8
<b>Home Appliances</b>										
Net sales	661.0	3.7	687.5	4.0	748.9	8.9	774.3	3.4	674.3	(12.9)
Share of net sales (%)	10.4	—	10.0	—	9.8	—	9.4	—	9.4	—
Operating income (loss)	(3.3)	—	2.7	—	9.7	257.0	3.9	(59.6)	(27.1)	—
Operating income ratio (%)	(0.5)	—	0.4	—	1.3	—	0.5	—	(4.0)	—
Number of employees (Thousands)	22	22.2	25	13.6	27	8.0	28	3.7	27	(3.6)
R&D expenditures	19.0	3.0	17.7	(6.5)	18.7	5.5	19.2	2.7	18.2	(5.4)
Depreciation	18.0	(3.9)	16.6	(7.8)	18.3	9.9	22.7	24.1	28.7	26.5
Capital expenditures	22.0	13.9	27.4	24.5	24.7	(9.8)	20.0	(19.1)	18.5	(7.6)
Total assets	390.2	4.9	400.8	2.7	438.8	9.5	439.0	0.0	385.2	(12.2)
<b>Others</b>										
Net sales	371.6	(21.4)	379.8	2.2	391.6	3.1	381.9	(2.5)	334.3	(12.5)
Share of net sales (%)	5.9	—	5.5	—	5.1	—	4.6	—	4.6	—
Operating income	9.8	(47.7)	18.0	82.1	18.7	4.2	23.0	22.7	0.5	(97.7)
Operating income ratio (%)	2.7	—	4.7	—	4.8	—	6.0	—	0.2	—
Number of employees (Thousands)	13	(56.7)	12	(7.7)	16	33.3	16	0.0	15	(6.3)
R&D expenditures	1.1	(75.0)	1.0	(12.2)	0.4	(66.1)	1.3	370.1	0.4	(70.2)
Depreciation	23.5	(47.1)	22.5	(4.3)	21.2	(5.8)	29.6	39.7	15.2	(48.7)
Capital expenditures	8.1	(64.9)	7.7	(4.2)	16.1	108.5	9.4	(41.5)	22.2	135.0
Total assets	515.4	7.5	442.4	(14.2)	479.2	8.3	379.3	(20.8)	321.6	(15.2)

## Geographic Segment Performance

(Billions of yen)					
Year ended March 31	2005	2006	2007	2008	2009
<b>Net Sales</b>					
Japan	¥5,015.3	¥5,464.4	¥5,993.1	¥6,141.8	¥5,346.3
Overseas	2,783.6	3,147.9	3,680.0	4,216.5	3,703.6
Asia	1,355.2	1,521.4	1,724.1	1,855.3	1,582.0
North America	765.3	888.5	1,028.4	1,208.2	1,112.0
Europe	596.9	658.7	830.2	1,039.5	894.1
Other	66.2	79.3	97.3	113.5	115.5
Eliminations	(1,962.8)	(2,268.8)	(2,556.7)	(2,693.0)	(2,395.4)
Consolidated	5,836.1	6,343.5	7,116.4	7,665.3	6,654.5
<b>Operating Income (Loss)</b>					
Japan	112.8	191.9	204.1	161.2	(315.5)
Overseas	42.1	48.4	44.4	74.6	49.7
Asia	20.5	22.1	26.1	37.6	21.3
North America	15.6	18.1	7.8	7.6	17.8
Europe	5.1	6.1	7.2	25.6	6.1
Other	0.9	2.1	3.3	3.8	4.5
Eliminations	(0.1)	0.3	9.9	10.6	15.6
Consolidated	154.8	240.6	258.4	246.4	(250.2)

## Long-term Debt

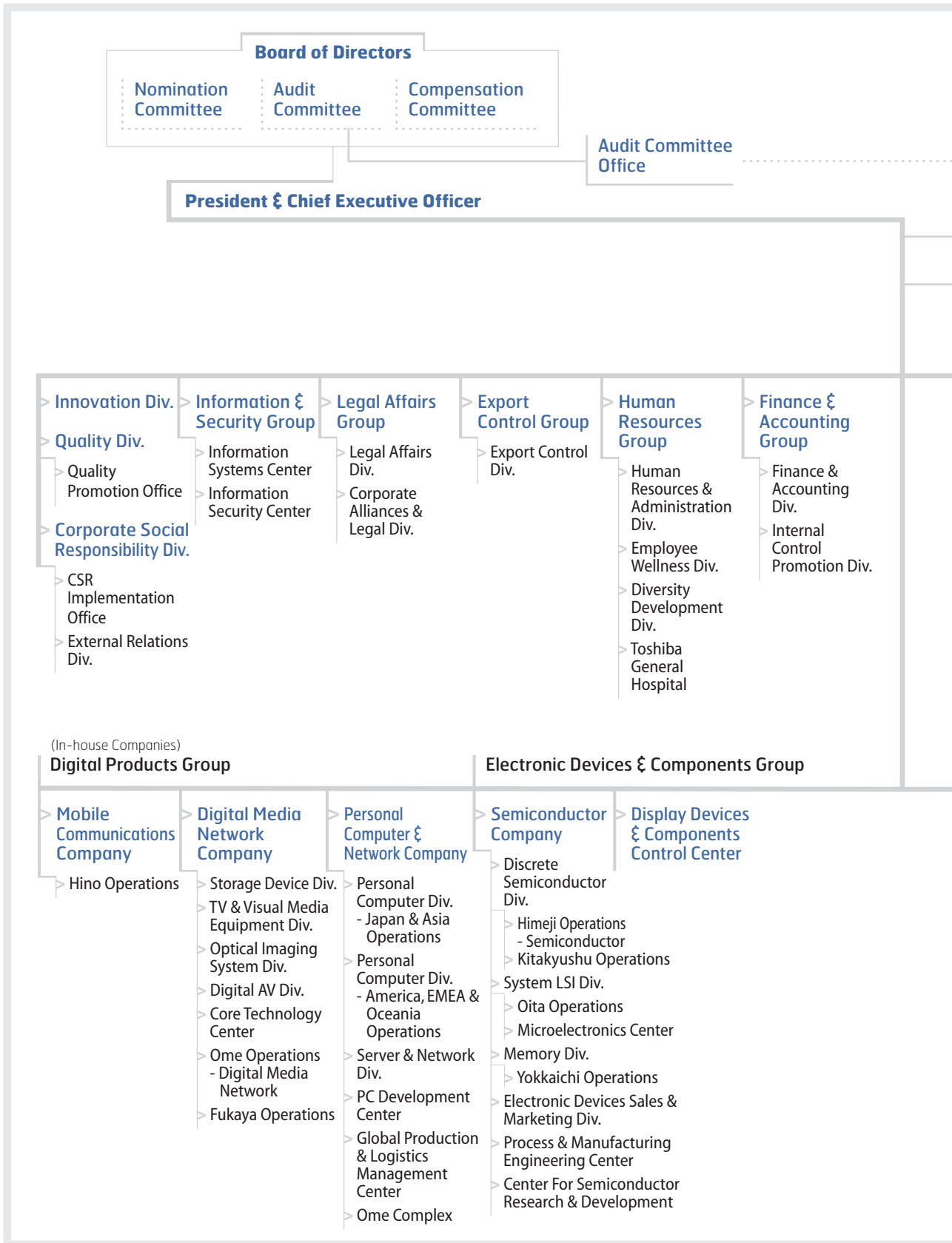
(Millions of yen)				
March 31	2008		2009	
Loans, principally from banks and insurance companies, due 2008 to 2029 with weighted-average interest rate of 1.29% at March 31, 2008 and due 2009 to 2029 with weighted-average interest rate of 1.40% at March 31, 2009	Secured	¥ 4,268	Secured	¥ 254
	Unsecured	¥532,352	Unsecured	¥715,577
Unsecured yen bonds, due 2008 to 2016 with interest ranging from 1.08% to 2.30% at March 31, 2008 and due 2010 to 2016 with interest ranging from 1.20% to 2.20% at March 31, 2009		213,307		130,000
Zero Coupon Convertible Bonds with stock acquisition rights: Due 2009 convertible at ¥587 per share at March 31, 2009		41,430		41,420
Due 2011 convertible at ¥542 per share at March 31, 2009		95,310		95,010
Euro yen medium-term notes, due 2008 with interest rate of 2.34% at March 31, 2008		1,000		—
Euro yen medium-term notes of subsidiaries, due 2008 to 2015 with interest ranging from 0.77% to 2.60% at March 31, 2008 and due 2009 to 2014 with interest ranging from 0.60% to 2.60% at March 31, 2009		58,881		23,586
Euro medium-term note of a subsidiary, due 2008 with interest rate of 4.41% at March 31, 2008		7,938		—
Capital lease obligations		48,646		56,834
		1,003,132		1,062,681
Less-Portion due within one year		(262,422)		(285,913)
		¥740,710		¥776,768

The aggregate annual maturities of long-term debt, excluding those of capital lease obligations, are as follows:

(As of March 31) (Millions of yen)		
Year ending March 31	2008	2009
2009	¥ 246,675	¥ —
2010	227,674	273,189
2011	177,452	187,114
2012	116,731	193,210
2013	126,051	127,390
2014 and thereafter	59,903	—
2014	—	133,379
2015 and thereafter	—	91,565
Total	¥ 954,486	¥1,005,847

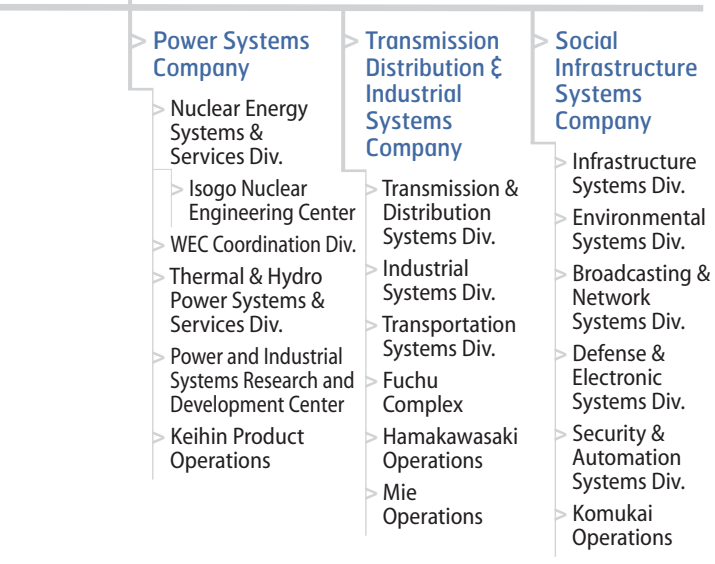
For more information on corporate bonds and ratings, please visit our IR web site at <http://www.toshiba.co.jp/about/ir/en/stock/bond.htm>

# Organization Chart





**Infrastructure Systems Group**



(As of July 1, 2009)

# Consolidated Subsidiaries/Affiliated Companies Accounted for by the Equity Method

## Consolidated Subsidiaries

### DOMESTIC

- Harison Toshiba Lighting Corporation
- Iwate Toshiba Electronics Co., Ltd.
- Joint Fuel Co., Ltd.
- Kaga Toshiba Electronics Corporation
- Mobile Broadcasting Corporation
- Nishishiba Electric Co., Ltd.\*
- NuFlare Technology, Inc.\*
- Toshiba Capital Corporation
- Toshiba Carrier Corporation
- Toshiba Consumer Electronics Holdings Corporation
- Toshiba Consumer Marketing Corporation
- Toshiba Denzai Marketing Co., Ltd.
- Toshiba Device Corporation
- Toshiba Elevator and Building Systems Corporation
- Toshiba Home Appliances Corporation
- Toshiba Home Technology Corporation
- Toshiba Industrial Products Sales Corporation
- Toshiba Information Equipments Co., Ltd.
- Toshiba Lighting & Technology Corporation
- Toshiba Logistics Corporation
- Toshiba Matsushita Display Technology Co., Ltd.
- Toshiba Medical Systems Corporation
- Toshiba Plant Systems & Services Corporation\*
- Toshiba Solutions Corporation
- Toshiba TEC Corporation\*
- Toshiba Trading Inc.
- A&T Battery Corporation

239 companies in total including the above 27.

\*Listed company in stock markets

### OVERSEAS

- AFPD Pte., Ltd.
  - Changzhou Toshiba Transformer Co., Ltd.
  - Dalian Toshiba Television Co., Ltd.
  - Harison Toshiba Lighting (Kunshan) Co., Ltd.
  - Northern Virginia Semiconductor L.L.C.
  - Taiwan Toshiba International Procurement Corporation
  - TBR
  - Toshiba (China) Co., Ltd.
  - Toshiba America Business Solutions, Inc.
  - Toshiba America Capital Corporation
  - Toshiba America Consumer Products, L.L.C.
  - Toshiba America Electronic Components, Inc.
  - Toshiba America Information Systems, Inc.
  - Toshiba America Medical Systems, Inc.
  - Toshiba America MRI, Inc.
  - Toshiba America Nuclear Energy Corp
  - Toshiba America, Inc.
  - Toshiba Capital (Asia) Ltd.
  - Toshiba Consumer Products (Thailand) Co., Ltd.
  - Toshiba Dalian Co., Ltd.
  - Toshiba Electronics Asia, Ltd.
  - Toshiba Europe GmbH
  - Toshiba HA Manufacturing (Nanhai) Co., Ltd.
  - Toshiba Hydro Power (Hangzhou) Co., Ltd.
  - Toshiba Information Equipment (Philippines), Inc.
  - Toshiba Information Systems (UK) Ltd.
  - Toshiba Information, Industrial and Power Systems Taiwan Corporation
  - Toshiba International Corporation
  - Toshiba International Finance (UK) Plc.
  - Toshiba JSW Turbine and Generator Private Ltd.
  - Toshiba Medical Systems Europe B.V.
  - Toshiba Nuclear Energy Holdings (UK) Ltd.
  - Toshiba Nuclear Energy Holdings (US) Inc.
  - Toshiba Samsung Storage Technology Korea Corporation
  - Toshiba Semiconductor (Wuxi) Co., Ltd.
  - Toshiba Systèmes (France) S.A.
  - Toshiba TEC Europe Imaging Systems S.A.
  - Toshiba TEC France Imaging Systems S.A.
  - Toshiba TEC U.K. Imaging Systems Ltd.
  - Toshiba Television Central Europe Sp. z o. o.
  - Toshiba Transmission and Distribution Brazil Ltd.
  - TSB Nuclear Energy Investment UK Ltd.
  - TSB Nuclear Energy Investment US Inc.
  - Westinghouse Electric Company L.L.C.
- 298 companies in total including the above 44.

## Affiliated Companies Accounted for by the Equity Method

### DOMESTIC

- Flash Alliance, Ltd.
- Flash Partners, Ltd.
- Ikegami Tsushinki Co., Ltd.\*
- NEC Toshiba Space Systems, Ltd.
- NREG Toshiba Building Co., Ltd.
- Shibaura Mechatronics Corporation\*
- Topcon Corporation\*
- Toshiba Finance Corporation
- Toshiba Housing Loan Service Corporation
- Toshiba Machine Co., Ltd. \*
- Toshiba Medical Finance Co., Ltd.
- Toshiba Mitsubishi-Electric Industrial Systems Corporation

79 companies in total including the above 12.

\*Listed company in stock markets

### OVERSEAS

- Guangdong Midea Air-Conditioning Equipment Co., Ltd.
  - Guangdong Midea Group Wuhu Air-Conditioning Equipment Co., Ltd
  - Guangdong Meizhi Compressor Ltd.
  - Henan Pinggao Toshiba High-voltage Switchgear Co., Ltd.
  - MOD Systems Incorporated
  - Semp Toshiba Amazonas S.A.
  - TM GE Automation Systems L.L.C.
  - Toshiba Carrier (Thailand) Co., Ltd.
- 120 companies in total including the above 8.

(As of March 31, 2009)



## Stock/Shareholders Information

### Common Stock Price Trends

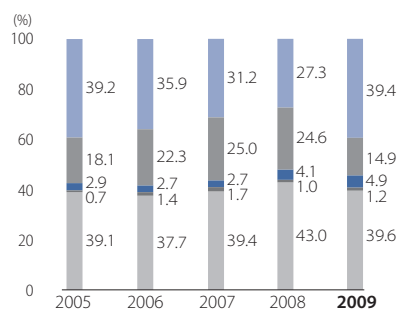
Year ended March 31	2005	2006	2007	2008	2009
Common stock price (¥, fiscal year)					
High	576	815	842	1,185	953
Low	379	416	652	649	204
Nikkei average (¥)	11,668.95	17,059.66	17,287.65	12,525.54	8,109.53
Number of shares issued (Millions of shares)	3,219	3,219	3,219	3,237	3,238
Market capitalization (¥ Billion)	1,442.1	2,201.8	2,533.4	2,155.9	822.4
Earnings per share—Basic (EPS) (¥)	14.32	24.32	42.76	39.46	(106.18)
Earnings per share—Diluted (EPS) (¥)	13.52	22.44	39.45	36.59	(106.18)
Annual dividends per share (¥)	5	6.5	11	12	5
Payout ratio (%) (Consolidated)	34.9	26.7	25.7	30.4	—
Number of shareholders	479,808	454,849	411,723	375,115	462,649
Price-to-earnings ratio (PER) (Times)	31.3	28.13	18.41	16.88	—
Price-to-cash flows ratio (PCFR) (Times)	5.0	6.6	5.9	4.2	132.5
Price-to-book value ratio (PBR) (Times)	1.8	2.2	2.3	2.1	1.8

Note: Common stock price is based on the Tokyo Stock Exchange, Inc. market quotation.

### Distribution of Shareholders

(Percentage of total voting rights)

March 31	2005	2006	2007	2008	2009
■ Individuals and others in Japan	39.2%	35.9%	31.2%	27.3%	39.4%
■ Overseas investors	18.1	22.3	25.0	24.6	14.9
■ Companies in Japan	2.9	2.7	2.7	4.1	4.9
■ Securities companies in Japan	0.7	1.4	1.7	1.0	1.2
■ Financial institutions in Japan	39.1	37.7	39.4	43.0	39.6



### Major Shareholders

(As of March 31, 2009)

	Percentage of total voting rights
Japan Trustee Service Bank, Limited (trust accounts No. 4G)	5.5%
The Master Trust Bank of Japan, Limited (trust accounts)	5.5
The Dai-ichi Mutual Life Insurance Company	3.6
Nippon Life Insurance Company	3.4
Japan Trustee Service Bank, Limited (trust accounts)	3.1
Toshiba Employees Stocks Ownership Plan	1.7
NIPPONKOA Insurance Company, Limited	1.6
Japan Trustee Service Bank, Limited (trust accounts 4)	1.6
Sumitomo Mitsui Banking Corporation	1.6
Mizuho Corporate Bank, Limited	1.6

# Corporate History

## Governance structure

## Significant events

	<b>1875</b>	Hisashige Tanaka opened a telegraph equipment factory (later Shibaura Engineering Works Co., Ltd.) in Shinbashi, Tokyo.
	<b>1890</b>	Ichisuke Fujioka and Shoichi Miyoshi established Hakunetsusha & Co., Ltd. (later Tokyo Electric Company), in Kyobashi, Tokyo.
	<b>1939</b>	Tokyo Electric Company merged with Shibaura Engineering Works Co., Ltd. and established Tokyo Shibaura Electric Co., Ltd.
	<b>1978</b>	Released the first Japanese word processor. Changed name to Toshiba Corporation.
	<b>1985</b>	Developed 1Mb DRAM. Introduced the world's first laptop PC.
	<b>1991</b>	Developed 4Mb NAND flash EEPROM.
Introduced corporate executive officer system.	<b>1995</b>	Developed the DVD high-density optical disc.
	<b>1998</b>	
Introduced in-house company system.	<b>1999</b>	
	<b>2000</b>	Released SD Card and 1.8-inch HDD.
	<b>2001</b>	Released "01 Action Plan." Commercialized the world's first HDD/DVD video recorder. Commenced joint development of Cell, the next-generation processor, with Sony Computer Entertainment Inc. and IBM Corporation.
Adopted the Company with Committees system and introduced Corporate Social Responsibility Division.	<b>2002</b>	Withdrew from commodity DRAM business. Formed a company for LCDs.
	<b>2003</b>	Home Appliances, IT-Solutions and Medical Systems businesses transferred and integrated with subsidiaries.
	<b>2004</b>	Joined the United Nations' Global Compact. Developed the world's smallest direct methanol fuel cell (DMFC). Released a 64 multi-slice CT system.
Introduced Takeover Defensive Measures.	<b>2006</b>	Westinghouse Group joined the Toshiba Group.
	<b>2007</b>	Shipped steam turbines with cumulative total output of 150GW. Developed 320 slices Dynamic Volume CT system which can capture complete image of the heart or brain in only one rotation. Achieved cumulative output of 200 million HDDs.
	<b>2008</b>	Developed 32Gb NAND flash memory. Achieved cumulative sales of 70 million notebook PCs. Announced "Action Programs to Improve Profitability."

## Corporate Data

### TOSHIBA CORPORATION

As of March 31, 2009

<b>Headquarters:</b>	1-1, Shibaura 1-chome, Minato-ku, Tokyo, Japan
<b>Founded:</b>	July 1875
<b>Number of Employees:</b>	Approx. 199,000 (consolidated)
<b>Fiscal Year:</b>	April 1 to March 31
<b>Authorized Number of Shares:</b>	10 billion shares
<b>Number of Shares Issued:</b>	3,237,602,026 shares
<b>Number of Shareholders:</b>	462,649
<b>Stock Exchange Listings:</b>	Tokyo, Osaka, Nagoya, London
<b>ISIN:</b>	JP359 2200004
<b>Ticker Code on the Tokyo Stock Exchange:</b>	6502
<b>Shareholder Registration Agent:</b>	The Chuo Mitsui Trust and Banking Company, Limited
<b>For further information, please contact:</b>	Investor Relations Group Corporate Communications Office Toshiba Corporation 1-1, Shibaura 1-chome, Minato-ku, Tokyo 105-8001, Japan Phone: +81-3-3457-2096 Facsimile: +81-3-5444-9202 E-mail: <a href="mailto:ir@toshiba.co.jp">ir@toshiba.co.jp</a> <a href="http://www.toshiba.co.jp/about/ir/index.htm">http://www.toshiba.co.jp/about/ir/index.htm</a>

## INVESTOR RELATIONS

<http://www.toshiba.co.jp/about/ir/index.htm>

Toshiba Corporation makes every effort to provide shareholders and investors with reliable information in a timely manner, and toward this we make full and proactive use of the Internet in our IR activities. On our investor relations site we publish a wide range of resources, including news releases, information for shareholders, our statements of accounts, and explanations of our business results, as well as videos and other materials related to business information meetings. The site also supports interactive communication, allowing investors to ask questions and offer opinions that will help us to improve the quality of our IR activities.



## FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements concerning Toshiba's future plans, strategies, and performance. These forward-looking statements are not historical facts, rather they represent assumptions and beliefs based on economic, financial, and competitive data currently available. Furthermore, they are subject to a number of risks and uncertainties that, without limitation, relate to economic conditions, worldwide megacompetition in the electronics business, customer demand, foreign currency exchange rates, tax rules, regulations, and other factors. Toshiba therefore wishes to caution readers that actual results may differ materially from our expectations.

**Product names may be trademarks of their respective companies.**

**TOSHIBA CORPORATION**

