



# Annual Report

Operational Review

# 2011

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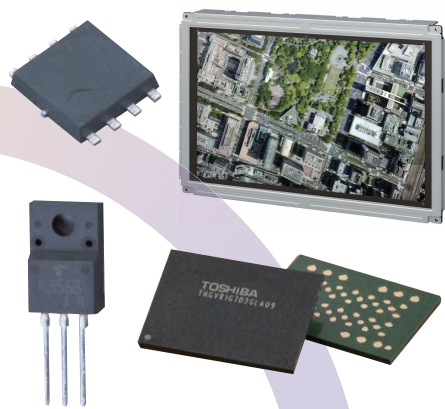
Toshiba is a diversified electric/electronic manufacturer and provides a wide range of products and services on a global basis in four business domains: Digital Products, Electronic Devices, Social Infrastructure and Home Appliances. In addition to this, Toshiba Group also focuses on new business areas and business expansion.

This report looks at the recent progress Toshiba has made and at the initiatives we will take going forward, with a primary focus on business achievements in the fiscal year ended March 31, 2011.

## Digital Products Segment



## Electronic Devices Segment



**TOSHIBA**  
Leading Innovation >>>

## Social Infrastructure Segment



\* The Tokyo Sky Tree® image provided by: Tobu Railway Co., Ltd. and Tobu Tower Sky Tree Co., Ltd.

## Home Appliances Segment



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## To Our Shareholders

In FY2010, consolidated net sales increased to ¥6,398.5 billion, a rise of 1.7% over that of the previous fiscal year. In addition, consolidated operating income surged ¥115.1 billion over that of the previous fiscal year to ¥240.3 billion, and net income was ¥137.8 billion, a sharp turnaround of ¥157.5 billion compared with the previous fiscal year. Our profit level recovered to that of FY2007, the year prior to the global financial crisis, as each of our business segments generated profit.

In the Digital Products business segment, the operating income generated by LCD TVs was in the black for the seventh consecutive fiscal half-year term on increased sales. Compared with the previous fiscal year, the operating income engendered by notebook PCs improved greatly, as their sales also grew. In the Electronic Devices business segment, our memories business achieved a record-high profit of ¥108.7 billion. The operating income of our LCD panels business greatly improved and moved into the black, as we restructured the business. In the Social Infrastructure business segment, sales of power generation systems, including to the emerging economies, remained solid and the segment continued to maintain a high level of profit. The Home Appliances business segment turned in a healthy performance and moved into the black. The strengthening of our financial base has progressed steadily. Our debt-to-equity ratio improved to 125% at the end of March 2011 from 153% at the end of March 2010. The annual dividend for FY2010 was ¥5 per share.

Going forward, we are determined to contribute to the recovery of Japan by supporting the restoration of Japan's social infrastructure. At the same time, we will continue to strive to make Toshiba an even stronger global contender, one with unrivalled global competitiveness in our major business fields and with a robust financial foundation. Towards this end, we will continue our efforts to restructure certain of our businesses and strengthen the profit basis of underperforming businesses. We will speed up the transformation of Toshiba's business structure by prioritizing investment to new and growing focus business areas so as to create new profit bases. We will also strive to greatly increase Toshiba Group's ability to respond to the challenges to society posed by the need for global environmental change. As we carry out these strategic management policies, we will further endeavor to enhance the corporate value of Toshiba Group.

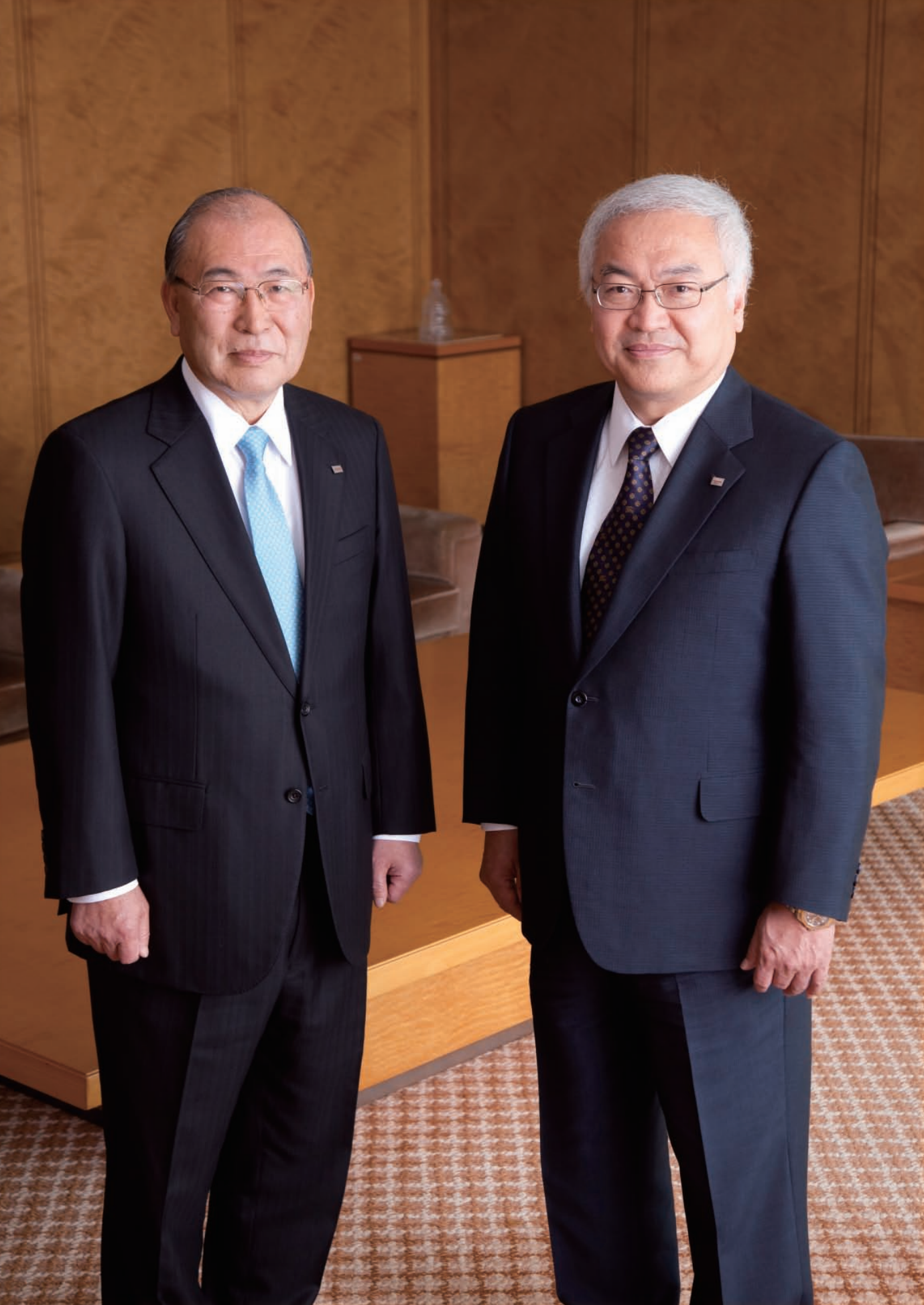
We would like to ask our shareholders for their continued strong support.



Atsutoshi Nishida  
Director, Chairman of the Board



Norio Sasaki  
Director, President and CEO



# Financial Highlights • Toshiba Corporation and its Subsidiaries

For the years ended March 31, 2011, 2010, 2009, 2008 and 2007

	(Billions of yen)				
	2011	2010	2009	2008	2007
<b>Financial performance</b>					
Net sales—Japan	<b>¥2,851.8</b>	¥2,791.3	¥3,093.7	¥3,445.4	¥3,349.4
—Overseas	<b>3,546.7</b>	3,499.9	3,419.0	3,958.9	3,510.3
Net sales (Total)	<b>6,398.5</b>	6,291.2	6,512.7	7,404.3	6,859.7
Operating income (loss) (Note 2)	<b>240.3</b>	125.2	(233.4)	240.4	247.2
Income (loss) from continuing operations, before income taxes and noncontrolling interests	<b>195.5</b>	34.4	(261.5)	258.1	315.9
Net income (loss) (Note 3)	<b>137.8</b>	(19.7)	(343.6)	127.4	137.4
<b>Financial position and indicators</b>					
Total assets	<b>5,379.3</b>	5,451.2	5,453.2	5,935.6	5,932.0
Equity attributable to shareholders of Toshiba Corporation (Note 4)	<b>868.1</b>	797.4	447.3	1,022.3	1,108.3
Interest-bearing debt	<b>1,081.3</b>	1,218.3	1,810.7	1,261.0	1,158.5
Shareholders' equity ratio (%)	<b>16.1</b>	14.6	8.2	17.2	18.7
Debt/equity ratio (Times)	<b>1.2</b>	1.5	4.0	1.2	1.0
<b>Investment</b>					
R&D expenditures	<b>319.7</b>	311.8	357.5	370.3	365.3
Capital expenditures (Property, plant and equipment)	<b>231.0</b>	209.4	355.5	464.5	373.8
<b>Return indicators</b>					
Return on investment (ROI) (%) (Note 5)	<b>10.4</b>	5.1	(8.9)	9.2	10.6
Return on equity (ROE) (%)	<b>16.6</b>	(3.2)	(46.8)	12.0	13.0
<b>Free cash flow</b>					
Net cash provided by (used in) operating activities	<b>374.1</b>	451.4	(16.0)	247.1	561.5
Net cash used in investing activities	<b>(214.7)</b>	(252.9)	(335.3)	(322.7)	(712.8)
Free cash flow	<b>159.4</b>	198.5	(351.3)	(75.6)	(151.3)
<b>Per share of common stock (yen)</b>					
Net income (loss) (Note 6)					
—basic	<b>32.55</b>	(4.93)	(106.18)	39.46	42.76
—diluted	<b>31.25</b>	(4.93)	(106.18)	36.59	39.45
Cash dividends	<b>5.00</b>	0.00	5.00	12.00	11.00
<b>Number of employees</b>					
Number of employees (Thousands)	<b>203</b>	204	199	198	191

Notes: 1. U.S. GAAP was codified by the Financial Accounting Standards Board. Beginning with the fiscal year ended March 31, 2010, the codified standards are described in "Accounting Standards Codification (ASC)."

2. Operating income (loss) is derived by deducting the cost of sales and selling, general and administrative expenses from net sales.

3. Net income (loss) attributable to shareholders of Toshiba Corporation is described as Net income (loss).

4. Equity attributable to shareholders of Toshiba Corporation is based on U.S. GAAP.

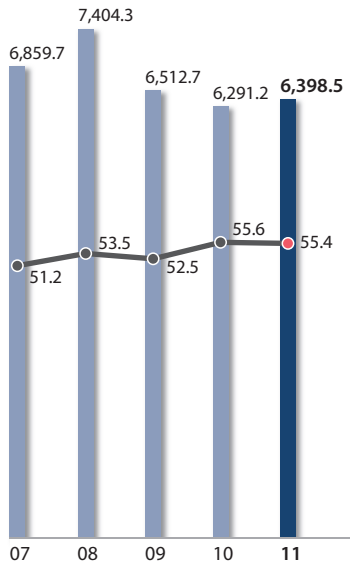
5. ROI = Operating income (loss) / (Average equity attributable to shareholders of Toshiba Corporation + Average equity attributable to noncontrolling interests + Average interest-bearing debt) × 100

6. Basic earnings (losses) per share attributable to shareholders of Toshiba Corporation (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 convertible bonds were converted or stock acquisition rights were exercised to issue common stock, unless their inclusion would have an antidilutive effect.

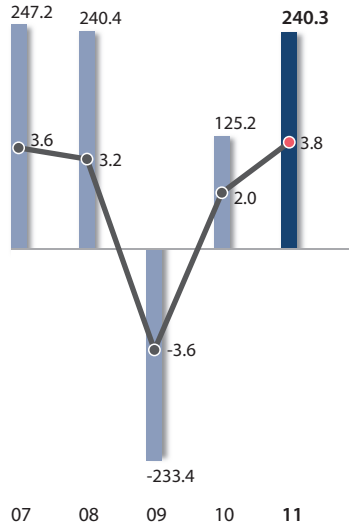
7. On June 17, 2010, Toshiba Corporation and Fujitsu Limited ("Fujitsu") signed a Memorandum of Understanding to merge their mobile phone businesses, followed by a definitive contract on July 29, 2010. On October 1, 2010, Toshiba Corporation transferred its mobile phone business to a newly established company called Fujitsu Toshiba Mobile Communications Limited, and sold 80.1% of the shares of the new company to Fujitsu. The results of the mobile phone business are not incorporated into consolidated net sales, operating income (loss), or income (loss) from continuing operations, before income taxes and noncontrolling interests in the consolidated results. Prior-period data relating to the discontinued operations has been reclassified in accordance with ASC No.205-20, "Presentation of Financial Statements—Discontinued Operations."

8. The Mobile Broadcasting business ceased operation at the end of the fiscal year ended March 31, 2009. Prior-period data from the fiscal year ended March 31, 2008 has been reclassified to conform with the current classification.

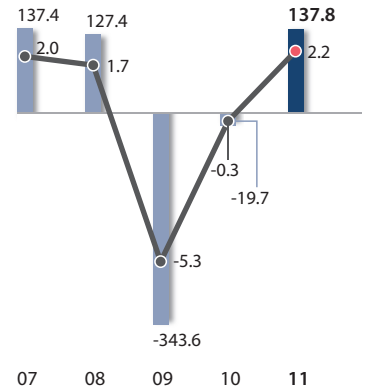
**Net sales** (Billions of yen)  
**Ratio of overseas sales** (%)



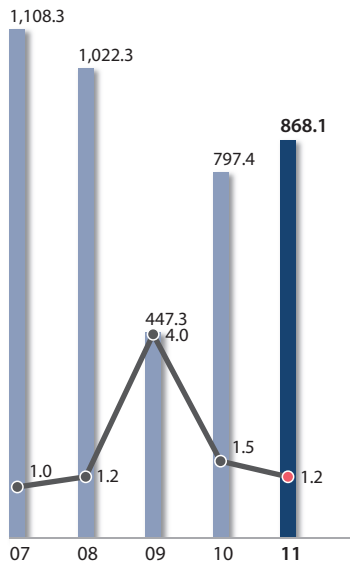
**Operating income (loss)** (Billions of yen)  
**Operating income ratio** (%)



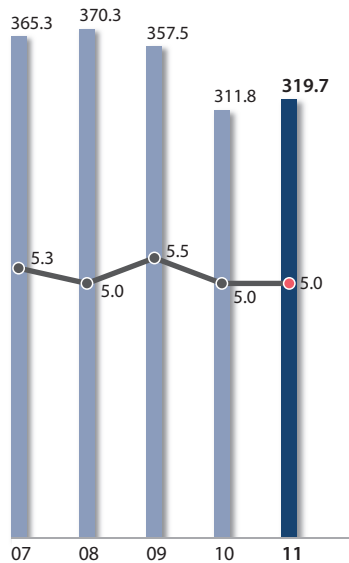
**Net income (loss)** (Billions of yen)  
**Return on sales** (%)



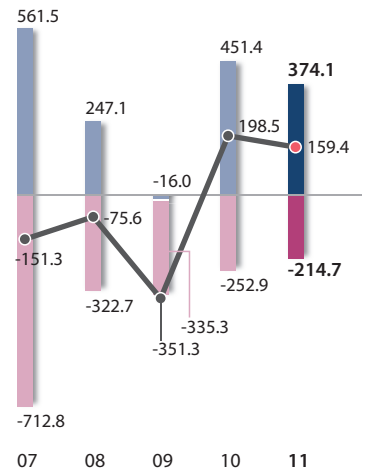
**Total equity attributable to shareholders of Toshiba Corporation** (Billions of yen)  
**Debt/equity ratio** (Times)



**R&D expenditures** (Billions of yen)  
**R&D/sales ratio** (%)



**Free cash flow** (Billions of yen)



■ Net cash provided by (used in) operating activities  
 ■ Net cash used in investing activities  
 ● Free cash flow

## An Interview with the President

“Going forward, I intend to further accelerate the transformation of Toshiba’s business structure and achieve vigorous sustained growth that surpasses that of the market as well as a more highly profitable business structure. I will advance our basic management policies of accelerating global business development, further speeding up the pace of innovation and assiduously promoting CSR management. I intend to make Toshiba an even stronger global contender, one with unrivalled global competitiveness in our major business fields and with a robust financial foundation.”



**Norio Sasaki** Director, President and CEO

**Q How do you evaluate the business performance of Toshiba Group over the past two years since you became the president of Toshiba in 2009?**

**A** Since assuming the presidency, I have taken a number of steps to restructure businesses with the result being that underperforming businesses have been improved and our profit-making structure is steadily being strengthened. I have also implemented several decisive measures to establish a robust financial foundation that provides both the resources for growth and financial soundness. At the same time, to transform Toshiba’s business structure, I worked on focusing on growth businesses, expanding the scope of key businesses and accelerating the development of new business areas, and aimed for further growth and the improvement of profitability.

In restructuring our LCD panels business, we moved ahead with our strategic management policies of focusing on high-value-added products by taking such measures as transferring the LCD panels business for PCs to Taiwan’s AU Optronics Corporation and reorganizing LCD production bases in Japan. We will



concentrate on the manufacturing of LCDs for mobile devices, such as smartphones and car navigation systems. As a result, we were able to improve the earnings of this business. In our industrial lighting business, we consolidated overseas manufacturing bases and carried out a review of our business system in Japan. In addition, we transferred our mobile phone business to a new company through a business merger with Fujitsu Limited.

In the system LSI business, we dissolved our joint venture with Sony Corporation – Nagasaki Semiconductor Manufacturing Corporation – transferring its semiconductor fabrication equipment to Sony, and we consolidated our production bases. We also have been aggressively carrying out fixed-cost reductions. In FY2009, we reduced these costs by about ¥430 billion, compared with the previous fiscal year, and in FY2010, we further reduced fixed costs by about ¥100 billion. During the past two years, we have become a much leaner company that can more quickly respond to changes in the business environment.

We will continue to resolutely carry out the restructuring of underperforming businesses. However, because these efforts are now on a firm footing, I am thinking of focusing more on achieving the transformation of Toshiba's business structure. To ensure the growth of our NAND flash memory business, in August 2010 we began construction of Fab No. 5 at our Yokkaichi Operations, our mass production base for NAND flash memories. Construction was completed in March 2011, and we will soon be ready with manufacturing capabilities that can meet the expanding global demand for these memories. By accelerating process migration, we intend to strengthen and extend our leadership in the NAND flash memory market. To accomplish this goal, while expanding product applications, we have begun mass production of cutting-edge high-density NAND flash memories using 24nm process technology.

In Smart Community-related businesses, we are focusing on such new business opportunities as participating in a number of verification projects both in Japan and overseas as well as in possible commercial projects. In addition, we began mass production of rechargeable lithium-ion SCiB™ batteries in Japan at a new plant in Kashiwazaki City in Niigata Prefecture. Our unique SCiB™ batteries have a wide range of applications such as for EVs (electric vehicles), PHEVs (plug-in hybrid electric vehicles) and energy storage for Smart Grids.

Going forward, I intend to further accelerate the transformation of Toshiba's business structure and achieve vigorous sustained growth that surpasses that of the market as well as a more highly profitable business structure. I will advance our basic management policies of accelerating global business development, further speeding up the pace of innovation and assiduously promoting CSR management. I intend to make Toshiba an even stronger global contender, one with unrivalled global competitiveness in our major business fields and with a robust financial foundation.

**Q The business environment has changed due to the Great East Japan Earthquake. Has this led to any changes in your business strategies?**

**A** First, I wish to express my heartfelt sympathies to all those people and families who were affected by the disaster.

A few Toshiba Group manufacturing facilities located in East Japan experienced some damage from the Great East Japan Earthquake, but its impact was limited and operations have already been restored. Presently, through our business activities, we are doing our utmost to help in the restoration and recovery of the disaster-stricken areas.

There has been no change in the direction of our strategic management policies. The essential importance of such crucial matters as meeting the growing demand for electric power, more effectively dealing with environmental issues, advancing digitalization and networking and handling the hugely-increasing volume of information flows remain as key trends affecting the business environment.

As a result of the steps that have been taken to cope with the effects of the earthquake disaster, I realized once again that there is a need to further improve Toshiba Group's supply chains and components and parts procurement systems from the point-of-view of our business continuity plan. We are carrying out the further strengthening of our BCP through such measures as minimizing procurement risks by forming a multi-vendor system that includes the use of dispersed regional bases of procurement and reconfiguring a part of our production systems so as to meet our supply responsibilities as a maker.

In the coming years, as we globally expand our businesses, there will be no change in the reality that development is important to the newly emerging economies such as China and India. In order to respond speedily to changes in the global market environment, we will move forward

by further improving our response capability to fluctuations in foreign exchange rates, strengthening our cost competitiveness and refining our BCP readiness, as we aim to realize the most appropriate balance for optimizing production, procurement and sales by expanding businesses in emerging economy markets, maximizing the effectiveness of Japanese and overseas production bases and expanding overseas procurement.



**Q NAND flash memory is one of main businesses Toshiba is focusing on. What are your thoughts about the future of this business?**

**A** Our NAND flash memory business, which has a global top-level market share, achieved a record-high operating income of ¥108.7 billion in FY2010.

At present, the storage market is progressing toward an era of “information explosion” in which the volume of data being processed will increase exponentially, and the memory market is also expected to greatly expand in the future. Accordingly, we are strengthening our advanced process generation memory products that are market leaders and are accelerating the development of future generations of post-NAND products. In parallel, we will make efficient investments to support the growth of this business that are in line with market trends.

Looking toward future growth, Toshiba, ahead of other companies, made sample shipments in April 2011 of the world’s smallest and highest density 2-bit-per-cell 64-gigabit chips using 19nm process technology, the finest level yet achieved. We began to mass-produce advanced process generation NAND flash memories at the newly constructed Fab No. 5 at our Yokkaichi Operations in July 2011, and shipments started in August. We are continuing to press forward with further shrinking chip size, and at the same time, we are in the process of basic development of post-NAND memory chips such as BiCS (bit-cost-scalable) and next-next generation 3D memories. We have recently agreed with Hynix Semiconductor Inc. to jointly develop Magnetoresistance Random Access Memory (MRAM), a next-generation memory device which, when used together with NAND flash devices, can provide optimum storage solutions for future mobile devices. Furthermore, we will strive to expand our storage business by developing new high-performance application products that have high-added value. We will enhance the competitiveness of our SSD (solid state drive) storage devices by introducing a series of innovative new enterprise SSDs for servers. We will advance our capabilities in the storage business through integrated development and marketing of SSDs and HDDs. To further maximize synergies in these businesses, we merged our Semiconductor Company and Storage Products Company into a new in-house company in July 2011. By means of all these efforts, we are aiming to achieve net sales of ¥1.1 trillion in NAND flash memories in FY2015.

**Q You are determined to make Smart Community-related businesses a new profit base. How do you expect this new business to develop in the coming years?**

**A** We will nurture Smart Community-related businesses into a new profit base by vertically integrating our power generation, power transmission, power distribution and Smart Grid businesses in which Toshiba already has a wealth of accumulated experience. For the creation of a Smart Community that offers a total solution for making the urban environment and social infrastructure “smarter and greener,” including energy, water and transportation systems, it is necessary to have such technologies as those for Smart Meters that are key devices for Smart Grids and communication

technologies that collect and control data. For this purpose, we recently acquired Landis + Gyr AG, a company that has the leading global position in energy management solutions for utilities. Innovation Network Corporation of Japan, a public-private partnership funded by the Japanese government and private corporations, has become a strategic partner by taking a 40% equity stake in that company. Landis + Gyr has developed its AMI (Advanced Metering Infrastructure) business that is essential for Smart Grids in more than 30 countries around the world and is proud of its world's No. 1 share in Smart Meters. By utilizing the extensive customer network that this company has developed, we will accelerate the global development of Smart Communities. In addition, by utilizing the abundant social infrastructure business applications Toshiba possesses, we will also promote development into new application fields. Furthermore, I think that for the Smart Community to function organically the integration of our strength in power control technologies with data processing and computing cloud services is essential, and we will go forward with our strategic policy of establishing alliances with leading-edge IT partners. For example, in June, we announced plans to work together with Hewlett-Packard on integrating Smart Community technologies and exploring global business projects in this field.

By creating comprehensive energy-management systems and maximizing the synergistic effects of integrating technologies, products and services to create new business opportunities, we will further accelerate the global development of Smart Community-related businesses and become a leading global company in this business field. By aggressively promoting our Smart Community business strategies, we are aiming for net sales of ¥900 billion in FY2015.

**Q With regard to Toshiba's energy-related businesses you are following a strategic policy of strengthening Toshiba's renewable energy businesses. What is your vision about the future of Toshiba's energy-related businesses?**

**A** With regard to renewable energy, which we have long been concentrating on, our strategic policy is to further accelerate our capabilities and market position in this business field. In addition to providing renewable energy in power generation fields in which Toshiba already possesses an extensive record of experience such as our solar photovoltaic systems with their world-leading efficiency, our top share in mega-solar power generation in Japan, hydroelectric power, in which we have the world's leading high-head, adjustable-speed pumped-storage technology, and geothermal power generation equipment, in which we have the world's top market share, we will expand into new energy fields such as solar power and wind power. In the future, by means of our global business development strategies, including the establishment of strategic business alliances, we will further expand and actively move more extensively into wider areas in the renewable energy market. For example, with regard to wind power, we have entered into a strategic business alliance based on our taking a stake in Unison Co., Ltd., a long-established innovative Korean wind power equipment manufacturer. This alliance will help us expand into this business through the co-development and marketing of high-efficiency wind power generators.



I believe that the importance to society of mainstay power generation systems such as thermal power will not change, and we will continue to work to accelerate the global development of these systems. We have a long record of experience in the thermal power field, both in Japan and overseas, starting with achieving eight consecutive years in the No. 1 position in the share of orders received for steam turbine generators from the North American market. Furthermore, in order to expand this business, we will collaborate with The Babcock & Wilcox Company, which is proud of having the top market share for boilers in North America, and we will work to increase the number of package-supply BTG (boiler, turbine and generator) orders we receive in such countries as India. In combined-cycle power generation as well, together with the U.S. company General Electric, we will supply the world's leading high-efficiency thermal plants to the global market.

Furthermore, as worldwide energy demand is still continuing to grow, our nuclear energy business has a target of receiving orders for 39 units by FY2015 and we have set a goal of achieving net sales of ¥1 trillion. However, depending on our customers' situations and each country's energy policy trends, there is a possibility that the achievement of this goal may come a couple of years later. We are planning to carry out measures to enhance safety at existing nuclear plants in accordance with the safety standards that will be revised based on the results of analyses currently being conducted by each-related organization. At the same time, we are also developing next-generation nuclear reactors that will be extremely safe.

**Q With regard to the Digital Products and Home Appliances business segments, going forward, how will you achieve robust growth and higher profitability?**

**A** By offering new enhanced fusion products and services, maximizing synergies through integrating technologies, sharing sales networks and developing products that match regional needs, we are aiming to achieve stronger growth and higher profitability in these segments.

In the Digital Products business segment, in addition to strong sales of both notebook PCs,

which have continuously held the No. 1 market share in Japan, and LCD TVs, which greatly increased in sales mainly in Japan and the ASEAN region, as a result of the continuous strengthening of the profit structure of this segment, particularly through the reduction in fixed costs, this segment continued to be in the black. The boundaries of products such as TVs, PCs and mobile devices are disappearing, and the integration of technologies, components, and products and services that cross over the borders of each category is very desirable.

To respond to these changes in the business environment, in April 2011, we integrated our visual products and PC businesses by incorporating them into a new in-house company organized on a regional basis with respective business units for Japan, Europe/U.S., emerging economies and China. We will carry out speedy and timely business strategies by developing regionally-matched products, strengthening regional area sales and marketing organizations through maximizing organizational synergies, and delivering to the market innovative products such as battery-backup "Power TVs" as we strive to further improve the profitability of these businesses in the future. We intend to accelerate and streamline our businesses in emerging economy markets through these regionally based organizations and closer collaboration between the Digital Products and Home Appliances business segments.

### **Q Toshiba's financial structure has been strengthened. How do you view the relationship between financial soundness and pursuing growth strategies for the future?**

**A** Our free cash flow at the end of FY2010 continued at a high level of ¥159.4 billion and the strengthening of our financial base was reflected by the improvement of our debt-to-equity ratio (D/E ratio) to 125%.

While striving to further strengthen Toshiba Group's financial base in the coming years, we will aggressively move forward with allocating strategic resources to the businesses we have selected to focus upon so as to achieve stronger growth and higher profitability. With regard to the reserves that stem from the improvement of our D/E ratio, by the end of FY2013 (March 2014), we will secure the funds to accelerate growth by further improving our D/E ratio to 50%, among other measures. I am thinking of utilizing these capital funds for facility investments and M&A in new and growth businesses, as compelling future business opportunities arise. During the next three years, we are planning to invest a total of ¥1,450 billion in capital expenditures and investment & loans, and we will allocate ¥1,100 billion for R&D expenditures. Our strengthened financial structure will enable us to use a portion of our capital funds to make additional bold future investments. We will further accelerate growth by strategically utilizing ¥700 billion of shiftable funds and our improved assets to make appropriate new investments. In addition, we are targeting a return on investment (ROI) of 20% by the end of FY2013, double that of FY2010.

With regard to return to shareholders, we seek to continuously increase the annual dividend in line with a consolidated dividend payout ratio of about 30%.

**Q What is your thinking about Toshiba Group's CSR and environmental management policies?**

**A** By acting with unwavering integrity and continuing to promote strong environmental management, we will strive to become a company that is trusted and admired all over the world and that will greatly contribute to society. Since assuming the presidency, I have emphasized the essential importance for CSR management of always acting with complete integrity in every aspect of our activities. When I use the word "integrity," I have two business-related connotations of the word in mind: First, to proactively carry out our corporate social responsibilities in all of our business activities by sincerely dealing with various issues in society, and second, to pursue soundness in management and financial structure. Values such as integrity are a primary consideration for Toshiba Group, and our strong backbone of shared corporate values was again demonstrated by our speedy and comprehensive measures taken in response to the Great East Japan Earthquake.

In addition, we are striving to contribute toward the realization of a sustainable future world by reducing our impact on the environment. We are expanding our environment-related businesses and tackling the environmental burden in all of our business activities through strong environmental management aimed at contributing to society by such means as the strength of Toshiba's low-carbon technologies.

**Q Lastly, what are your aspirations for FY2011?**

**A** I consider FY2011 is the year for Toshiba Group to aggressively accelerate the global growth of the businesses we are focusing upon and move further forward with the transformation of our business structure in order to create new profit bases. I am confident that our strategic management policies will lead to the creation of strong new markets through the introduction of innovative "first in the world" products and services, ahead of other companies, and at the same time, we will provide global markets with products and services that can continue to maintain the No. 1 market share in the world. I aim to make Toshiba an even stronger global contender, one with unrivalled global competitiveness. In Japan we will also make it our company's mission to contribute to the recovery of Japan through our business activities.

We will strive hard to further increase the value of Toshiba Group so as to meet the expectations of all of our shareholders. I ask for your continued strong support.



# Toshiba Group's response to the Great East Japan Earthquake

We offer our deepest condolences to the victims of the Great East Japan Earthquake.

At 14:46 on March 11, 2011, northeast Japan was struck by a magnitude 9.0 earthquake. The immensely powerful tsunami that it triggered devastated the northeastern Tohoku coast and caused widespread damage along the Pacific coast down to the central region of Kanto.

Toshiba responded by setting up a special task force, led by the president and CEO, that oversees Toshiba Group's activities to restart operations and support reconstruction in the disaster-hit region. These are as detailed below, as of May 23, 2011.

Toshiba Group's main mission is to contribute to Japan's recovery through our business activities. We will devote our resources to that end.

Oita Operations. Social infrastructure facilities: Keihin Product Operations, Hamakawasaki Operations, Fuchu Complex and Komukai Operations. Digital products: Fukaya Operations and Ome Complex.

Two facilities needed time to secure recovery. Production at Iwate Toshiba Electronics Co., Ltd., a semiconductor manufacturer in Kitakami City, Iwate Prefecture, restarted on April 18. The LCD production line at Toshiba Mobile Display Co., Ltd. in Fukaya City, Saitama Prefecture, resumed full operation at the end of April.

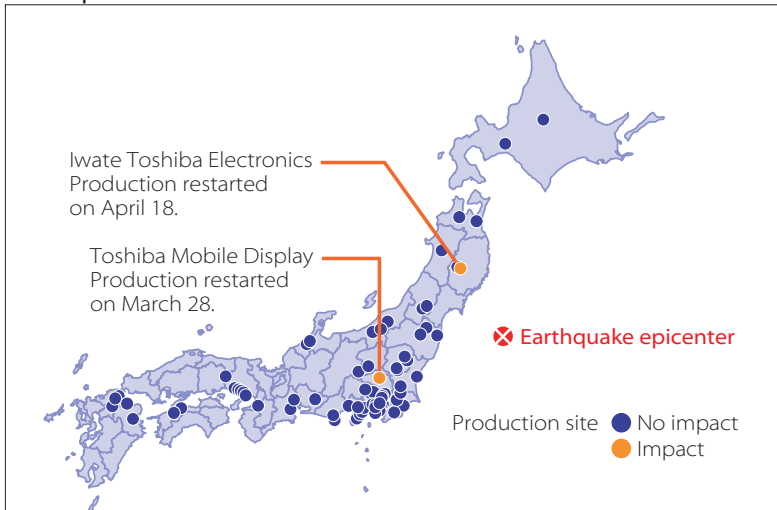
## Production Facilities

The following major production facilities were carrying out business as usual at the end of March. Semiconductor facilities: Yokkaichi Operations and

## Providing Support toward Securing the Safety of the Nuclear Power Plants

Special teams at Toshiba's Tokyo headquarters and its Isogo Nuclear Engineering Center in Yokohama is helping to secure the safety of Fukushima Daiichi Nuclear Power Station. The team works 24 hours a day to gather and analyze data and develop solutions.

Toshiba production sites



We responded to requests from the Japanese government and Tokyo Electric Power Company (TEPCO) by dispatching nuclear engineers to TEPCO's head office and to the Fukushima plants, where they are providing technical support and consultation. As of May 23, including personnel from our key business partners, approximately 1,900 people are supporting this



effort, most of them engineers, and more than 1,200 have worked on site. We have about 400 people on site every day on a rotating basis.

Beyond this, at TEPCO's request, we are developing solutions with Westinghouse Electric Company, a Toshiba group company; The Shaw Group, our partner in advanced boiling water reactors; The Babcock & Wilcox Company (B&W), a leading U.S. provider of power technologies; and Exelon Nuclear Partners, a major U.S. utility.

We are treating irradiated water on the site by carrying out overall system design, supervising monitoring and control of the water treatment plant and supporting water treatment equipment supplied by overseas corporations.

## Overcoming Power Shortages

Toshiba Group is supporting the government and electric utilities' battle against power supply shortages in central and northeast Japan with over 200 people, and giving top priority to restoring infrastructure.

Activities center on supporting TEPCO and Tohoku Electric Power Co., Inc. in restoring damaged thermal power plants and devastated power transmission and distribution systems, including substations and switchyards; the early return to operation of thermal plants undergoing periodic maintenance; and recommissioning mothballed thermal plants. We aim to help recover about 10,000MW of generating capacity in the TEPCO and Tohoku Electric Power service areas.

Moving forward, Toshiba Group will continue to provide all required support.

## Saving Energy

In Tohoku and Kanto, we are reducing electricity usage at peak times and expanding in-house use of power generation equipment.

## Support Activities

Group efforts to assist victims of the disaster include donating the equivalent to 1-billion yen for evacuation shelters, meeting points and temporary government buildings, and the provision of essential goods. We also established a 500-million-yen Toshiba Great East Japan Earthquake Scholarship in July.

Our contributions to job creation in the disaster area include providing fishing boats to support the tsunami-devastated fishing industry, and providing retail space, vehicles and support staff to help revive electronics stores hit by the disaster.



Delivering aid for Soma City, Fukushima Prefecture

## Our employees

Of 74,104 Toshiba Group employees residing in Tohoku and Kanto, 74,103 are safe. We greatly regret the loss of one employee.

# Mid-term Business Plan

Toshiba Group's mid-term business plan to FY2013 was issued on May 24, 2011. While aggressively accelerating the global growth of our core businesses and establishing new profit bases, we are aiming to become an even stronger global contender.

## Basic Management Policies

Becoming an even stronger global contender

Allocate resources to strategic business areas

Continue to accelerate globalization

Set up ambitious goals for innovation and speed its pace

Push forward with CSR management



## Mid- to Long-term Vision

### Transforming Business Structure

Transform Toshiba Group into a top-level diversified electric/electronics manufacturer with strong global competitive power

### Restructuring of Businesses

Assure that Toshiba Group has a steady, strong, and highly profitable business structure and sound financial foundation that can withstand rapidly changing economic conditions and market changes

### Environmental and CSR Management

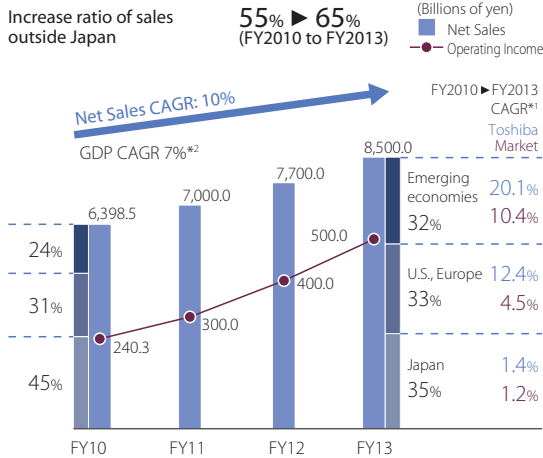
Establish a position as one of the world's foremost eco-companies and contribute to the future of a sustainable planet Earth

## Measures

- **NAND Flash Memories**  
Enhance products and accelerate next-generation development
  - **Smart Community**  
Become a world leader by vertically integrating our power generation, T&D and Smart Grid businesses
  - **Power Electronics, EV Applications**  
Realize an environmentally friendly society by use of our core technologies for reducing the environmental load
  - **Renewable Energy**  
Contribute to global environment with low-carbon power generation technology
  - **Healthcare**  
Accelerate expansion of business areas
  - **Fusion Products and Services for Digital Products**  
Enhance fusion products and services by maximizing synergy
- 
- **System LSI**  
Restructure System LSI business in response to market changes
  - **Responding to Changes in the Market Environment**  
Improve coping with exchange rate fluctuations, cost competitiveness and Business Continuity Plan (BCP) readiness
- 
- **CSR Management**  
Act with unwavering integrity
  - **Expanding Business by Strong Environmental Management**  
Contributing to society through strength of our low-carbon technologies

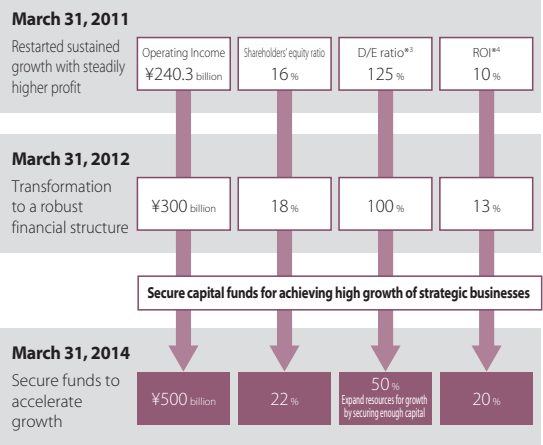
## Numerical Targets

Strengthen sales outside Japan to achieve double-digit growth



\*1: Compound Annual Growth Rate  
\*2: Source: IMF World Economic Outlook April 2011

Establishing a financial base that makes for both growth and soundness

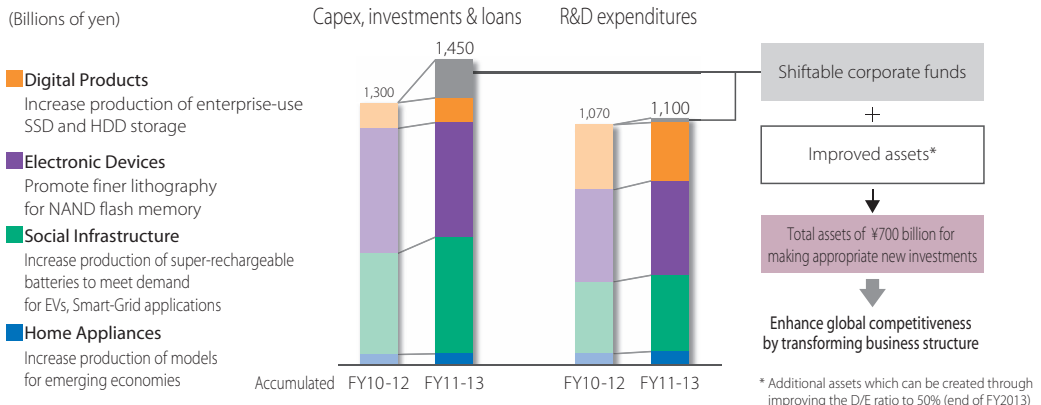


\*3: Debt/Equity ratio  
\*4: Return on Investment : operating income (loss) divided by total debt plus total equity

		FY2010 Result	FY2011 Forecast	FY2013 Plan	CAGR FY2011-FY2013
Digital Products Segment	Net Sales	2,328.6	2,550.0	3,100.0	10%
	Operating income	13.2	20.0	40.0	
Electronic Devices Segment	Net Sales	1,347.7	1,450.0	1,850.0	13%
	Operating income	86.8	140.0	270.0	
Social Infrastructure Segment	Net Sales	2,267.7	2,500.0	3,000.0	10%
	Operating income	137.1	150.0	200.0	
Home Appliances Segment	Net Sales	599.8	650.0	700.0	4%
	Operating income	8.8	10.0	15.0	

## Investment and R&D Expenditure

Accelerating business structure transformation by prioritizing investment in new and growing business areas



# Accelerate Transformation of the Business Structure Through a New Organization that Reinforces Overall Strengths

To strengthen global business development, we implemented a structural reorganization of the Digital Products and the Social Infrastructure segments on April 1, 2011

## Digital Products

Merging the Visual Products and PC businesses into the Digital Products & Services Company

This new in-house company will make management more responsive, accelerate penetration of fast-growing emerging markets and create fusion products and services for the global market in TVs, PCs and tablet PCs.

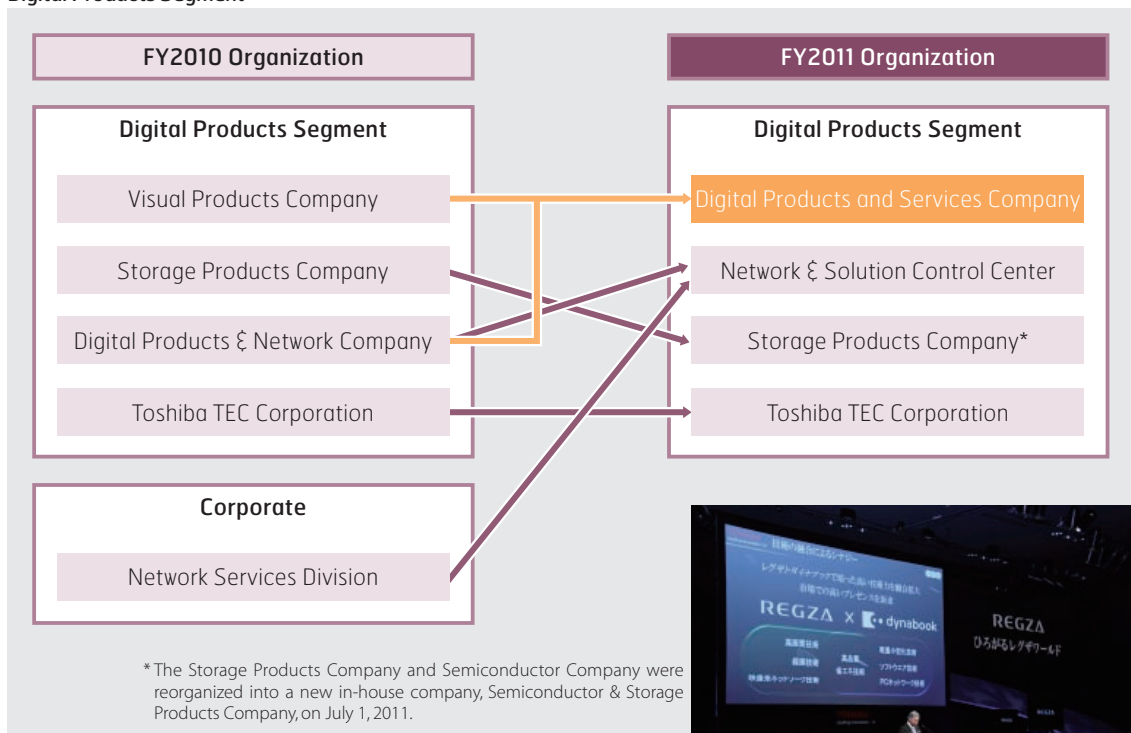
Toward faster, more timely development and marketing of products that meet specific needs in regional markets, we have ended development and marketing of separated, category-based products, such as LCD TVs and PCs, for a system under which teams develop multiple cross-

category digital products.

In FY2010, Toshiba ranked fourth in global combined unit sales of LCD TVs and notebook PCs (Toshiba research). Taking advantage of this scale merit, we will improve cost efficiency in production and procurement and realize the full potential of our development resources. We expect this approach to stimulate growth and profitability.

In Japan, we will take into account the impact of the earthquake and introduce products that reflect the need to manage power consumption, such as TVs equipped with batteries and PCs providing “peak shift control.”

### Digital Products Segment



Announcing new products that will create new digital markets, such as the “glasses-free 3D PC” and the “REGZA Tablet”

## Social Infrastructure

Integrating the Smart Community-related businesses into the new Social Infrastructure Systems Company

The Social Infrastructure Systems Company merges two in-house companies and one strategic business unit, providing a base for proactive global development of the Smart Community-related business.

The company integrates the power-related systems and industrial electrical systems businesses, including the power transmission & distribution (T&D) business essential for Smart Communities, railways systems, automotive systems and industrial motors. Previously

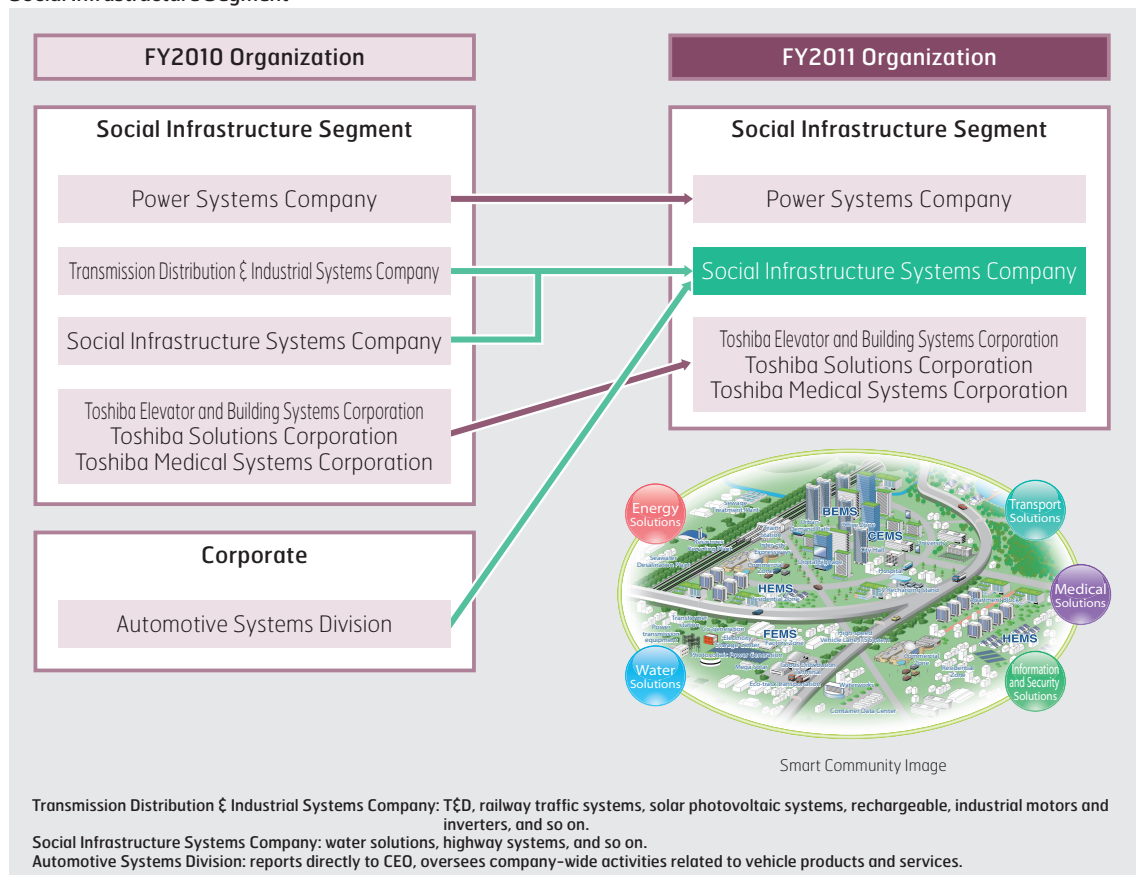
decentralized resources are now concentrated into a future growth business area.

By making full and effective use of current overseas sites for the T&D and industrial motor businesses in the United States, Brazil and Vietnam, we expect to accelerate globalization of the overall Smart Community-related business.

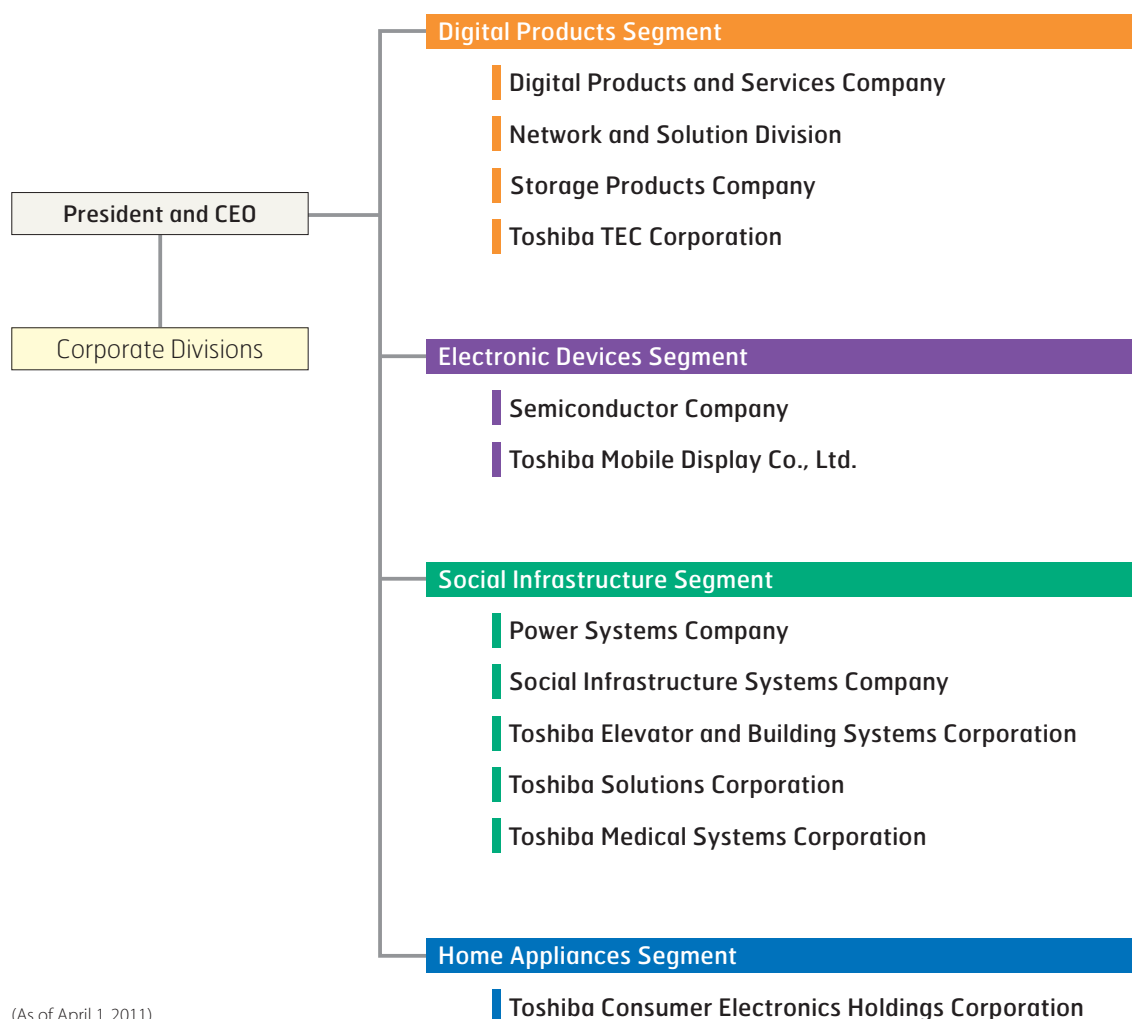
The new company's integration of T&D business serving both utilities and users will offer enhanced total solutions.

Finally, projects related to recovery from the earthquake now have top priority, an approach that survives the organizational change.

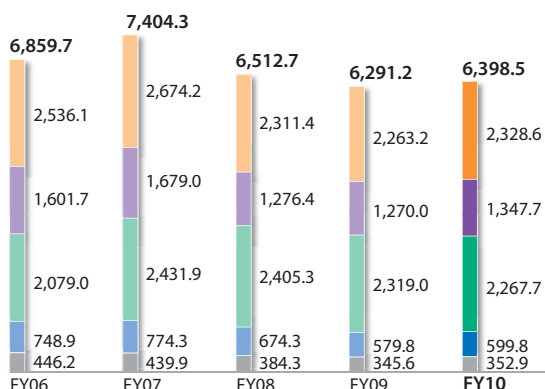
### Social Infrastructure Segment



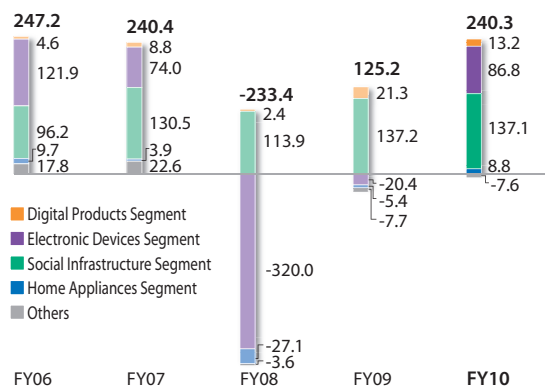
Toshiba's consolidated net sales for FY2010 were 6,398.5 billion yen, a year-on-year increase of 107.3 billion yen. This mainly reflects higher sales in the Visual Products and Semiconductor businesses, and was achieved despite a high yen and the impact of the Great East Japan Earthquake. Consolidated operating income rose 115.1 billion yen to 240.3 billion yen on significant improvements in the Semiconductor and LCD businesses, a healthy performance by the Home Appliance segment and continued high profit in the Social Infrastructure segment. All four of our business segments secured profit. The March 11 earthquake had negative impacts of 70.0 billion yen on net sales and 20.0 billion yen on operating income. Overseas sales were 3,546.7 billion yen, a year-on-year increase of 46.8 billion yen, and accounted for 55% of sales.



(As of April 1, 2011)

**Sales by segment** (Billions of yen)

Eliminations of sales among segments were -552.2 billion yen in FY2006, -595.0 billion yen in FY2007, -539.0 billion yen in FY2008, -486.4 billion yen in FY2009 and -498.2 billion yen in FY2010.

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

Eliminations of operating income (loss) among segments were -3.0 billion yen in FY2006, +0.6 billion yen in FY2007, +1.0 billion yen in FY2008, +0.2 billion yen in FY2009 and +2.0 billion yen in FY2010.

**Digital Products Segment: Higher Sales and Lower Operating Income**

The Digital Products segment saw sales increase by 65.4 billion yen to 2,328.6 billion yen. The Visual Products business benefited from the approaching end of analog broadcasting in Japan, eco-point (the Japanese government's stimulus program) and higher overseas sales, primarily in Asia's emerging economies. The PC business saw higher sales in Japan and overseas, mainly due to the launch of 25th anniversary models and higher shipments in the U.S. and Asia. The Storage Products business saw lower sales due to price erosion.

Segment operating income declined 8.1 billion yen to 13.2 billion yen. The PC business operating income reflected higher sales and cost reductions and the Retail Information Systems and the Office Equipment businesses reported healthy performances. The Visual Products business maintained profit on higher sales in emerging markets, but at a lower level year on year due to a higher yen and the impact of the March 11 earthquake. The Storage Products business reported a significantly worsened operating loss.

**Electronic Devices Segment: Higher Sales and Significant Improvement in Operating Income (Loss)**

The Electronic Devices segment saw sales increase by 77.7 billion yen to 1,347.7 billion yen. The Semiconductor business recorded higher sales on higher sales in Memories, reflecting expanded demand for mobile products, such as smartphones, and solid state drives (SSD)—data storage devices based on NAND flash memories—and price stability in NAND Flash memories. The LCD business also reported a healthy performance.

Overall segment operating income (loss) improved significantly by 107.2 billion yen to 86.8 billion yen. Memories recorded a healthy performance, primarily as a result of higher sales and cost reductions, and the LCD business improved on cost reductions and progress in business restructuring.

**Social Infrastructure Segment: Lower Sales and Flat Operating Income**

The Social Infrastructure segment saw overall sales decline by 51.3 billion yen to 2,267.7 billion yen. The Power Systems and Industrial Systems businesses recorded higher sales thanks to a healthy performance by the Industrial Systems business in overseas markets. However, the Infrastructure Systems business, the IT Solutions business and the Medical Systems business all felt the influences of downturns in market demand and price erosion and reported weak performances.

Segment operating income stood at 137.1 billion yen, close to the same level as a year earlier, and the profit level remained high. The Power Systems and Industrial Systems businesses recorded higher operating income on a healthy performance in the Power Systems business. Both the Infrastructure Systems business and the Medical Systems business saw lower operating income on decreased sales.

**Home Appliances Segment: Higher Sales and Improvement in Operating Income (Loss)**

The Home Appliances segment saw sales increase by 20.0 billion yen to 599.8 billion yen. White Goods including Air-conditioning reported a healthy performance and a positive result that mainly stemmed from the continued effect of the eco-points program and a hot summer in Japan. Lighting Systems also reported a healthy performance mainly due to increased sales of LED lighting and a recovery in domestic housing and

building starts.

The segment as a whole recorded operating income (loss) of 8.8 billion yen, an improvement of 14.2 billion yen against the previous year, mainly on a healthy performance in Air-conditioning in a hot summer in Japan, a solid performance in refrigerators and progress in restructuring, including reorganizing facilities and reshaping businesses.

## Sales

**2,328.6** billion yen

(+65.4 billion yen, +3% vs. FY2009)

Overall segment sales increased on growth in the visual products business such as for LCD TVs, and PCs.

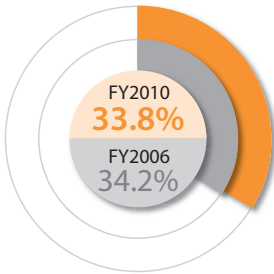
## Operating income (loss)

**13.2** billion yen

(-8.1 billion yen vs. FY2009)

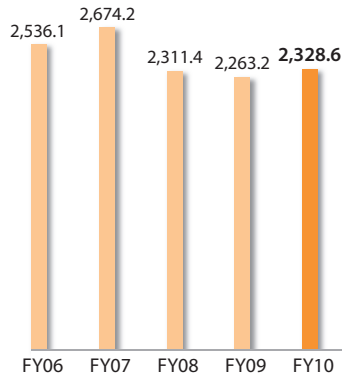
Although PCs and Retail Information Systems improved, market declines in Storage Devices (HDD, ODD) resulted in lower segment operating income.

## Percentage of sales

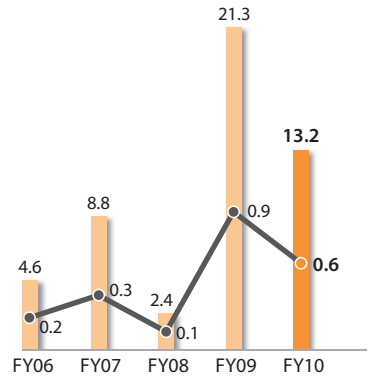


Note: Ratio of net sales total prior to exclusion of inter-segment sales

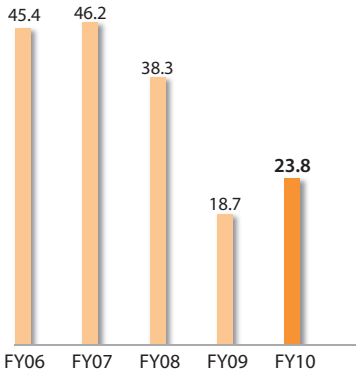
## Sales (Billions of yen)



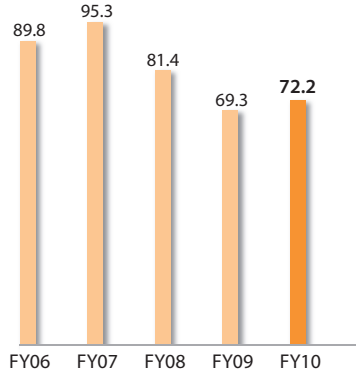
## Operating income (loss) (Billions of yen) Operating income ratio (%)



## Capital expenditures (order basis) (Billions of yen)



## R&D expenditures (Billions of yen)





On April 1, 2011, the Visual Products Company, (main product: LCD TVs), and the Digital Products and Network Company (main product: notebook PCs), combined to form the Digital Products & Services Company.

In the mobile phone business, we merged our operations with those of Fujitsu Ltd. in October 2010. We are now strengthening development capabilities and improving business efficiency.

### Visual Products Company (now the Digital Products & Services Co.)

In FY2010 the Visual Products business, particularly LCD TVs, benefited from Japan's transition to terrestrial digital TV broadcasts and the eco-point campaign, and from higher unit sales overseas, notably in Asia's emerging markets. The TV business recorded its seventh consecutive profitable fiscal half.

In Japan, Toshiba LCD TVs retained second place in the market with a 24% share\*<sup>1</sup>, their highest share ever. Globally, including Japan, we recorded sales of 14 million LCD TVs.

We developed 20V and 12V "Glasses-free 3D REGZA" LCD TVs, the world's first consumer-use digital TVs for 3D viewing without special glasses. Prototype 56V and 65V models met very favorable reviews at the January 2011 Computer Electronics



**New LCD TV factory in Egypt**

As part of our strategy to strengthen the TV business in Africa and the Near and Middle East, where we anticipate demand growth in the LCD TV market, in January we established a new joint venture in Egypt to manufacture LCD TVs with El Araby Co., Egypt's leading domestic manufacturer of home electronic appliances.

Show, the leading U.S. trade show for digital products.

The visual products brand identity was strengthened by bringing digital video recorders and players under the "REGZA" brand of our LCD TVs, and we enhanced the link with our LCD TVs.

Emerging markets hold great promise, and we are responding by refining our operations and products.

We are building flexible, efficient supply systems, a global production system, and enhancing regional sales structures. We have established a production joint venture in Egypt and a sales and marketing joint venture in China.

To meet the special demand of emerging markets we developed the "Power TV Series," including models for regions with irregular power supply and poor reception. Sales have surpassed our original targets.

Going forward, we will draw on our imaging technologies and capabilities in semiconductors and storage to expand a line-up ranging from high added value products to products with distinct characteristics matching local market needs. We will strive to further expand unit sales in the global market, particularly in emerging markets, by utilizing local production facilities and sales networks.



#### Glasses-free 3D REGZA 20GL1 Model

Toshiba launched the world's first\*<sup>2</sup> LCD TVs that allow 3D images to be viewed with no need for special glasses in December 2010.

\*1: Unit share of LCD TVs for 10-inch models and above (data from April 2010 to March 2011), based on research by GfK Japan.

\*2: Digital LCD TVs for consumer use. As of October 2010, based on Toshiba research.

## Digital Products and Network Company (now the Digital Products and Services Co.)

Since releasing the world's first laptop PC in 1985, we have sold over 100 million notebook PCs around the world.

Growth slowed in the global PC market in FY2010, but we increased unit sales, most notably in the United States, Asia and Japan, and recorded higher net sales. This, plus continuing decreases in costs and raw material prices, secured much improved operating income and a return to profit.

We marked the 25th anniversary of our notebook PC business with innovative models: "dynabook RX3," the world's lightest\*<sup>1</sup> notebook with a 13.3-inch LCD, and the "libretto W100," which featured dual touch-panel displays. They helped us to win the largest share\*<sup>2</sup> of the Japanese notebook PC market.

In addition to notebook PCs, where demand continues to grow, we offer products that meet diverse needs and create value, including tablet PCs, glasses-free 3D PCs and all-in-one LCD model PCs.

We are seeking profit in areas beyond hardware by expanding our service business. As part of this, we have started e-book services in the United States (September 2010) and Japan (April 2011).

\*1: As of June 2010. Source: Toshiba

\*2: Share of retail store sales. Source: GfK Japan



**REGZA Tablet**

Our tablets embody technological depth and know-how cultivated over many years in the LCD TV and notebook PC businesses.

## Storage Products Company

The quality, functionality and reliability of Toshiba hard disk drives (HDD) and optical disk drives (ODD) add significant value to end products.

In FY2010 the global notebook PC market saw growth slow. The arrival of tablet PCs sapped demand for notebook PCs, especially netbooks, and cut into sales of storage products, resulting in lower revenue and profit.

The October 2009 acquisition of Fujitsu Limited's HDD business strengthened our focus on enterprise solutions. By aligning high performance solid state drives (SSD: based on high speed NAND flash memory) with enterprise-focused HDD technology, we have commercialized enterprise SSD that offer higher speed and reliability. We have also commercialized a high capacity 3.5-inch HDD for the enterprise market.

Our strategy of promoting SSD, high capacity 3.5-inch HDDs and high rotation speed 2.5-inch HDDs for enterprise applications assures that we are single handedly able to deliver the comprehensive storage devices essential for layered storage systems for data centers, server farms and the development of cloud computing.

Note: The Storage Products Company and Semiconductor Company were reorganized into a new in-house company, Semiconductor & Storage Products Company, on July 1, 2011.



**Storage solutions for the enterprise market**

A comprehensive line-up embracing SSD and HDD

## Sales

**1,347.7** billion yen  
 (+77.7 billion yen, +6%, vs. FY2009)

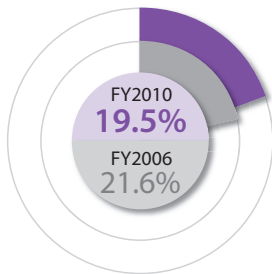
Despite impacts from yen appreciation, the Memory and LCD businesses were strong on increased demand for mobile products, resulting in improved segment sales.

## Operating income (loss)

**86.8** billion yen  
 (+107.2 billion yen vs. FY2009)

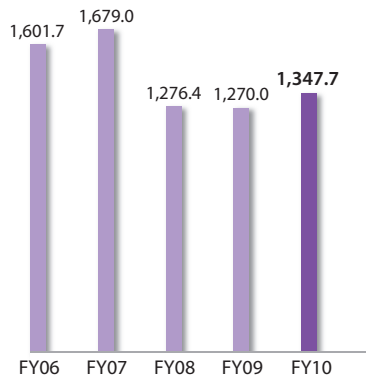
Significant operating income reflected strong performances in Semiconductors and LCDs and positive results from cost cutting.

### Percentage of sales

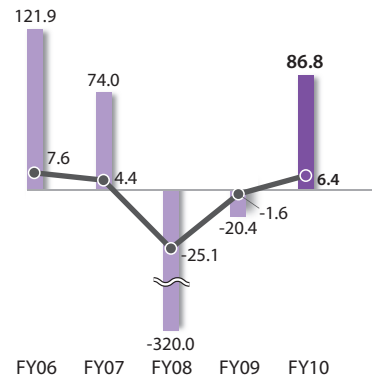


Note: Ratio of net sales total prior to exclusion of inter-segment sales

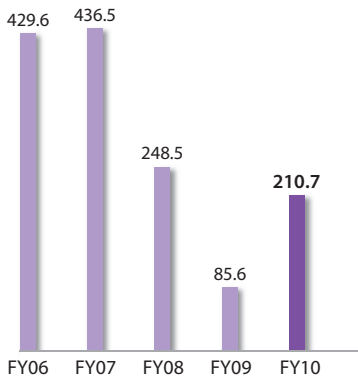
### Sales (Billions of yen)



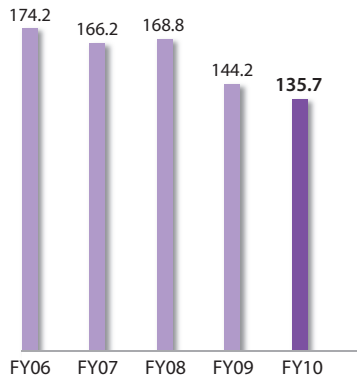
### Operating income (loss) (Billions of yen) Operating income ratio (%)



### Capital expenditures\* (order basis) (Billions of yen)



### R&D expenditures (Billions of yen)



\*Capital expenditure includes part of the investment made by companies accounted for by the equity method, such as Flash Alliance, Ltd.

## Electronic Devices Segment Semiconductor Company

Our activities cover four key areas: memories, logic LSIs, analog/imaging ICs and discrete semiconductors. Business is driven by strategic growth products: NAND flash memory (memory business) and power devices (discrete business).

In FY2010, the semiconductor market grew over 20% year-on-year, on expanded demand for new mobile devices, such as smartphones and tablet PCs, and high growth in emerging markets.

The memory business overcame a strong yen, and notably higher net sales reflected rising demand for mobile devices and solid state drives (SSD), plus continued price stability in NAND flash memories.

The logic LSI and analog/imaging IC businesses saw lower demand and net sales due to the strong yen and the reaction following the end of economic stimulus packages.

In the discrete business, strong first half demand ebbed in the second half and net sales were slightly higher than last year.

As a result, overall sales increased in FY2010, and this, plus benefits from advances in process migration and cost reductions, produced a significant increase in operating income.

The March 11 earthquake temporarily shut

down Iwate Toshiba Electronics Co., Ltd. in northeast Japan. Production resumed on April 18.

The memory business, number two in global market share (April 2011; Source: Toshiba), in August 2010 led the industry in starting mass production of NAND flash memories with 24-nanometer process technology, and in doing so achieved the world's smallest commercialized 64GB memory chip (August 2010; Source: Toshiba). We started to ship embedded NAND flash memories fabricated with the same process technology in April 2011.

In April 2011 we pioneered application of 19nm process technology and started to ship samples.

Anticipating increased demand for high-density products and long-term market expansion, we reinforced NAND flash memory capacity at Yokkaichi Operations with a new wafer production facility, Fab No.5. Construction finished in March 2011.

Designed with earthquake-proof structures and maximum consideration for the environment, Fab 5 features LED lighting, the latest energy saving production equipment, and uses only pumps with inverter control. The target is for 12% less CO<sub>2</sub> emissions than from its predecessor, Fab No.4.



Yokkaichi Operations has completed construction of its Fab No.5 wafer production facility. Production started in July 2011.



SSD for mobile notebooks

As considerable market expansion is forecast, we are expanding our SSD line-up.

We doubled production capacity for power devices in FY2010 by investing in the 8-inch production facility at Kaga Toshiba Electronics Co., Ltd. a manufacturing subsidiary.

In December 2010 we reorganized the System LSI Division into the Logic LSI Division, focused on cutting-edge LSI, and the Analog and Imaging IC Division. This reorganization will support quick decision making and efficient use of management resources and improve profit.

The Logic LSI Division continues an asset-lite strategy. In April 2011, we transferred equipment from a manufacturing subsidiary to Sony Semiconductor Kyushu Corp. For cutting-edge products, we now focus on design and development and are expanding the use of foundries.

The Analog and Imaging IC Division will make the most of the existing fabrication facilities. By boosting production efficiency, we will improve profitability.

Moving forward, we will continue to lead in technology development, to develop differentiated products and to focus on maximizing investment efficiency.

Note: The Semiconductor Company and Storage Products Company were reorganized into a new in-house company, Semiconductor & Storage Products Company, on July 1, 2011.

## Toshiba Mobile Display Co., Ltd.

We bring the performance and energy-saving advantages of low temperature polysilicon TFT (thin film transistor) technology to small- and medium-sized displays for applications ranging from smartphones and other portable products to car navigation systems and industrial uses.

In FY2010 our markets shifted into an expansionary phase, centered on demand for mobile devices for overseas markets. In this

environment, we continued systematic restructuring and in-house reforms focused on cutting fixed costs. Measures included the July 2010 transfer of ownership of Advanced Flat Panel Display Co., a Singapore facility for PC displays, to a Taiwanese company.

Looking to the future, we broke ground for a new LCD production facility in Ishikawa Prefecture in March 2011. This will help us to channel management resources into growth areas, such as displays for mobile devices and vehicles.

The result of these and other factors was that in FY2010 we secured significantly increased sales and brought operating income back into the black. Damage from the March 11 earthquake did temporarily halt production at our plant in Fukaya City, north of Tokyo, but full operations were resumed by the end of April.

Going forward we will continue to strengthen our competitiveness in growth areas, use cost-cutting measures to establish a stable earnings base and direct our leading-edge technical expertise to the development of LCDs for a wide range of equipment.



### Development of a glasses-free 21-inch high resolution 3D display

In response to strong demand from the market, we have developed a 21-inch high-resolution 3D display that allows 3D images to be seen and enjoyed anywhere without glasses.

## Sales

**2,267.7** billion yen

(-51.3 billion yen, -2% vs. FY2009)

The Power Systems and Industrial Systems were solid but slow markets in Social Infrastructure, Solutions and Medical Systems, plus the impact of the earthquake, left year on year largely unchanged.

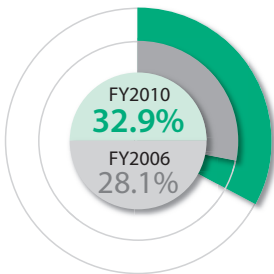
## Operating income (loss)

**137.1** billion yen

(-0.1 billion yen vs. FY2009)

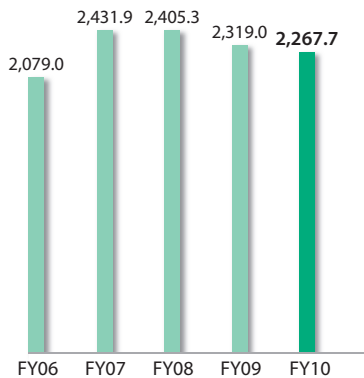
Social Infrastructure and Medical Systems saw lower sales and operating income, but the Power Systems business kept operating income close to last year's, and total profit remained high.

## Percentage of sales

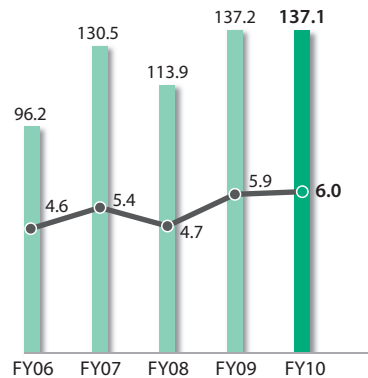


Note: Ratio of net sales total prior to exclusion of inter-segment sales

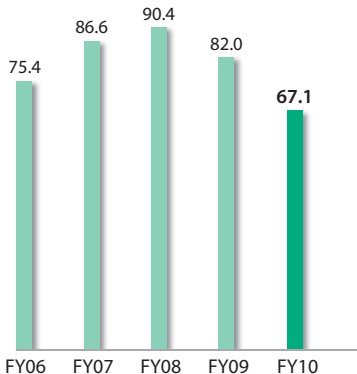
## Sales (Billions of yen)



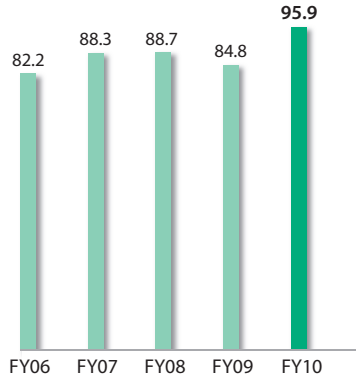
## Operating income (loss) (Billions of yen) Operating income ratio (%)



## Capital expenditures (order basis) (Billions of yen)



## R&D expenditures (Billions of yen)



The ability to propose comprehensive smart community solutions was reinforced by the April 2011 integration of the Transmission, Distribution & Industrial Systems Company, the Social Systems Company and the Automotive Systems Division in the Social Infrastructure Systems Company. The new company's scope includes transmission and distribution (T&D), railway traffic and automotive systems, solar power generation systems, rechargeable batteries, industrial motors, water and environmental systems.

## Power Systems Company

Our comprehensive power generation solutions including nuclear, thermal and hydro power and fuel cells, support stable electricity supply. We contribute to worldwide development of power infrastructure through advances in cutting-edge technologies, such as CO<sub>2</sub> capture and highly efficient power generation systems.

In FY2010, a strong yen impacted negatively on overseas projects, but overall sales remained favorable and operating income improved.

In the nuclear power business, the construction of four pressurized water reactor power plants in China made smooth progress, and we entered into a technical development agreement with Fennovoima, a Finnish power company.

Toshiba Group is prioritizing cooperation with the Japanese government and Tokyo Electric Power Co. to stabilize the situation at the Fukushima nuclear power plant. We fully recognize

the seriousness of the current situation and are determined to do all we can to contribute to improved safety at nuclear power plants.

Demand for thermal and hydroelectric power is growing in emerging markets. We won an order for two steam turbine generators at the Salaya coal-fired power station in India—a super-critical generation system combines higher efficiency with a lower environmental impact. In China we won contracts for two high-capacity generators for Guanyinyang Hydro Power Station and four pumped storage systems for the Qingyuan Pumped Storage Power Station. In the United States, a contract for the major overhaul of hydroelectric power equipment of the Ludington Pumped Storage Plant includes the world's largest hydro turbine\*. We also made progress in geothermal power winning a contract for Contact Energy Ltd's Te Mihi geothermal power plant in New Zealand. Going forward we will continue to develop highly efficient, high quality systems. We will use our overseas bases to expand business at the global level, with a focus on emerging markets, such as China, India and Southeast Asia.

\*As at February 2011, based on in-house research

## Transmission Distribution & Industrial Systems Company (now Social Infrastructure Systems Company)

Our businesses encompasses electricity transmission and distribution (T&D) systems, photovoltaic power generation systems and SCiB™ rechargeable batteries, railway transportation systems and industrial inverters and motors.

Outside Japan, the railway transportation systems business posted higher sales and the industrial systems market headed for recovery. However lower prices on stronger competition in electricity distribution systems brought down overall net sales and operating income fell.



Steam turbine generator like that to be installed at Salaya power station in India

In promoting global expansion, and following our investment in Ansaldo T&D SpA, an Italian engineering company, we expect to make progress in the European and North African markets for T&D and solar power generation systems.

Moves to develop mass transit systems are advancing worldwide. In FY2010 the railway transportation systems business won orders of electrical components for rolling stock, totaling over 1,000 cars in countries as diverse as the United States, Egypt and South Africa. We are seeking to boost global sales of inverters and high

Right: Subway train cars for the Washington Metropolitan Area Transit Authority (order won for electrical components)



Toshiba Industrial Products Asia Co., Ltd in Vietnam



efficiency motors, both of which consume less energy and release less CO<sub>2</sub>. In Vietnam, newly established Toshiba Industrial Products Asia Co., Ltd. started to manufacture motors in fall 2010.

In Japan, we won orders for photovoltaic power generation systems for four mega solar power plants (seven projects in all). Our market share on a capacity basis to domestic power utilities – due to come on line in FY2011 – reached 36%.

The SCiB™ rechargeable battery was chosen by Honda Motor Co., Ltd. for its commercial electric bikes, and by Shimano Inc. for battery-assisted bicycles. We are advancing joint development of battery systems for electric vehicles with

Mitsubishi Motor Corporation and other companies. A new SCiB™ facility, Kashiwazaki Operations (Niigata), started production in February 2011.

### Social Infrastructure Systems Company (now Social Infrastructure Systems Company)

We provide systems and services that sustain society. These include systems for buildings, airports, highways and river facilities; water and sewage treatment and environmental systems; broadcast and transmission network systems; radio systems; and security and automated systems.

In FY2010, lower public sector investment and a slow recovery in private sector demand resulted in lower sales and operating income.

In the water solutions business in Japan, we aim to win contracts for the renewal of water and sewage treatment systems and to make progress in the general industrial water treatment business. Overseas, we look for expansion in China, Southeast Asia and the Middle East, primarily in the seawater desalination and water and sewage treatment businesses. Our broadcast systems technology has a reputation for reliability, and we won an order for a digital transmitter to be installed on Tokyo Sky Tree.

Looking to the future, our track record in Japan and our highly trusted systems and services provide foundations for cooperation with overseas business partners and accelerated business development at the global level.

### Toshiba Elevator and Building Systems Corporation

Comprehensive capabilities make us a one-stop solution for safe, fully featured elevators and escalators.



Demand for new construction remained slow in Japan in FY2010 but stable demand overseas, particularly in China, allowed us to secure higher net sales. We maintained operating income at almost the same level as in the year earlier period.

In Japan we took proactive steps in the high growth renewal market by introducing products with added safety and anti-earthquake features. Overseas, we focused on China and Southeast Asia. In China, we won an order for 22 elevators and 19 escalators for the Hongqiao Development Zone's "L'Avenue Shanghai" in Shanghai, plus orders for 21 elevators, including high speed elevators for "Shenzhen Kerry Plaza Phase II," in Shenzhen.

Drawing on over 130 years of developing world-class technology standards, we will continue to provide safe, comfortable moving spaces.

An artist's impression of Avenue Shanghai, which we will supply with 22 elevators and 19 escalators. Scheduled for starting operation in January 2012



## Toshiba Solutions Corporation

From planning and consultation to application and maintenance, our know-how in IT provides clients in many industries with total solutions to increasingly complex management issues.

In Japan, economic slowdown and stagnant corporate results in FY2010 held back recovery in IT investment in many areas. As the business environment remained severe, measures including cuts in fixed costs allows us to overcome lower net sales and to increase operating profit.

In future, we will provide customers with services, including "cloud integration," that suit

their business environments and meet their needs. We will establish a basis for cloud-based business, a market expected to enjoy considerable growth.

## Toshiba Medical Systems Corporation

We deliver health care solutions on a global basis, including medical IT systems and diagnostic imaging equipment, such as CT, MRI, ultrasound and X-ray systems.

In FY2010, continued rapid growth in the Chinese market resulted in good sales in CT systems. However, a slowdown in the wider global market and stronger price competition due to the strong yen brought down sales and operating income.

In the United States, we were able to increase orders for X-ray angiography systems and other products. In Japan, we supplied a large-bore CT system for the new treatment room for heavy-ion cancer therapy at the National Institute of Radiological Sciences, which Toshiba Corporation provided with a next generation irradiation system for heavy-ion cancer therapy. The CT secures the pinpoint location determination essential for effective treatment.

In future, we will improve growth by strengthening our presence in emerging markets and new businesses. Our tri-polar research and development structure, based in Japan, the United States and Europe, will support us in contributing to global advances in medicine by providing the high quality, highly reliability medical systems and services.



Next generation irradiation system (right) and large-bore CT (left) in the new treatment room for heavy-ion cancer therapy at the National Institute of Radiological Sciences

## Sales

**599.8** billion yen

(+20.0 billion yen +3%, vs. FY2009)

Overall sales improved due to strong sales of White Goods and Room Air-conditioners, driven by the eco-points program and a hot summer in Japan.

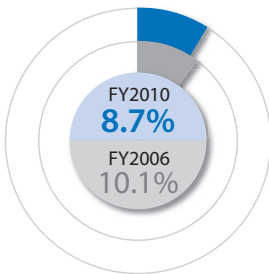
## Operating income (loss)

**8.8** billion yen

(+14.2 billion yen vs. FY2009)

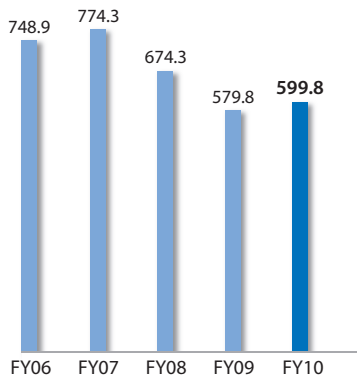
The White Goods, Lighting Systems and Air-conditioning businesses recorded a surplus as a result of increased sales and of restructuring to improve profitability.

## Percentage of sales

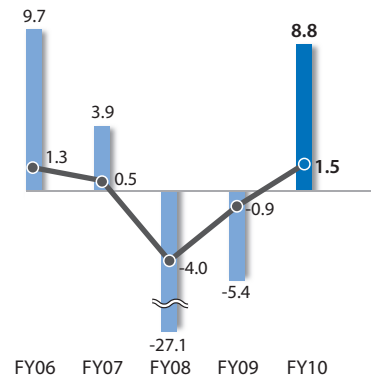


Note: Ratio of net sales total prior to exclusion of inter-segment sales

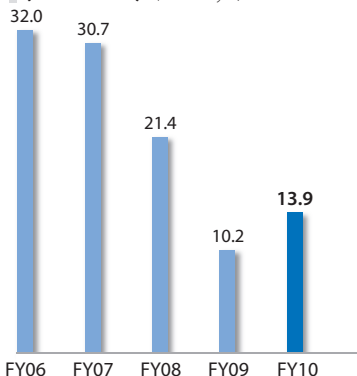
## Sales (Billions of yen)



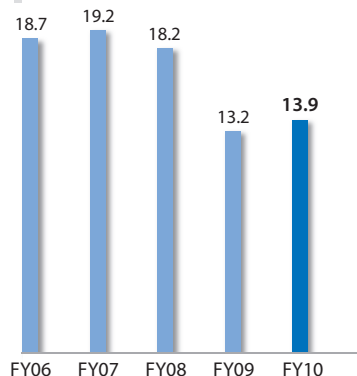
## Operating income (loss) (Billions of yen) Operating income ratio (%)



## Capital expenditures (order basis) (Billions of yen)



## R&D expenditures (Billions of yen)



## Toshiba Consumer Electronics Holdings Corporation

Toshiba Consumer Electronics Holdings Corporation oversees group companies in the home appliances business, including white goods, lighting fixtures and air-conditioning.

Our consumer electronics business has supported daily life with the latest technologies for 80 years, since we produced Japan's first electric washing machine in 1930. By developing products in harmony with the environment, we now aim to realize comfortable, environmentally friendly lifestyles.

We continue to restructure for business expansion and improved management efficiency.

### White Goods Business

In Japan, the eco-point system, a stimulus program that ran until the end of March 2011, drove demand for large capacity refrigerators and room air-conditioners, and both maintained good sales. Continued development of products meeting customer needs assured we retained leadership in unit sales of washing machines in Japan for the seventh consecutive year (Source: GfK Japan, for record of sales by retail stores).

Overseas, forecasts indicate high growth in Asia. By strengthening local development and marketing capabilities, we will improve our line-up and continue to introduce "local-fit" products, including refrigerators and washing machines.



The VEGETA™ Series GR – D55F refrigerator cuts energy consumption while keeping food fresh for longer.

### Lighting Systems Business

In general purpose lighting we are pushing forward with the "E-CORE" series of highly efficient, energy-saving LED lighting. Our expanded LED line-up now includes the Mini-krypton type 5.4W – the world's brightest LED light bulb – straight tube type base lights, home-use ceiling lights, and the Light Engine, developed with Germany's BJB GmbH & Co. KG. Overseas, we will supply LED lighting to France's Louvre Museum under a partnership agreement signed by Toshiba Corporation and the Museum in June 2010, following a positive evaluation of our technology.

In industrial lighting, we ceased production of backlights in Korea, due to progress in commercializing LED backlights for LCD TVs. We will expand this business by developing backlights for automotive, OA equipment and other industrial applications.



Contributing to "Light culture" that brings harmony to people and the environment at the Louvre Museum, which conserves mankind's cultural heritage.

### Air-conditioning Business

We now provide air-conditioners and water heating systems based on highly efficient, environmentally friendly heat pump technology.

In October 2010 we launched the "Universal Smart X" air-source heat pump system in the large-size air-conditioner market. This can efficiently deliver both cool and warm air.

Moving ahead, we will expand from home air-conditioning into industrial air-conditioners for data centers and industrial processes and solutions for buildings and facilities. We will also position ourselves as the heat pump solutions company in the transition of heat sources from boilers to heat pumps.

# Research & Development and Intellectual Property

The objective of our research and development is the creation of innovative products that meet customer needs.

Current research and development is channeling our technologies to support recovery from the March 11 disaster. Our mid-term target is to fully respond to customer needs, through world first and world No. 1 products and services. Our Corporate Research & Development Center investigates today's transformative technologies as the basis for future innovation. Our business groups and their development centers work on technologies for current and coming products. Under an approach that unifies business, R&D and intellectual property strategies, we are developing and acquiring technologies that accentuate differentiation of our businesses.

## Research & Development Activities in FY2010

We are supporting an early recovery from the disaster by strengthening R&D in low power and environmentally friendly technologies: smart grids, carbon dioxide capture, renewable energy— notably geothermal and solar power—LED lighting and high efficiency power devices.

In the mid-term, we will support management by developing technologies that sustain major businesses, including post-NAND memories and even safer nuclear power systems, and by cultivating promising new businesses in areas such as smart communities, health care and rechargeable batteries.

However tough the economic climate, we will continue to strive to become an even stronger global contender. In this spirit, we promote R&D that advances innovation, meets customer needs and creates world first and world No. 1 products and services.

Our business groups and their development centers develop core technologies that secure product innovation and differentiation. We have enhanced efficiency by utilizing common platforms and overseas group companies to develop software and by focusing on growth markets.

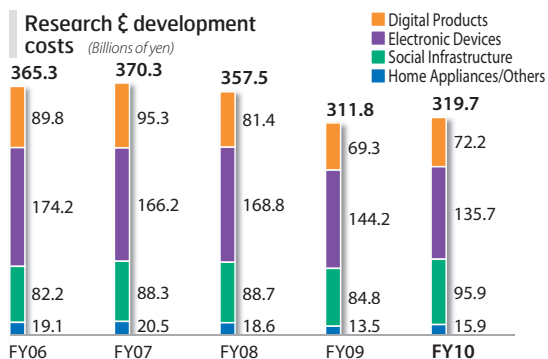
Centering on the Corporate Research and

Development Center, we have invested in business reinforcement and growth through R&D in technologies for innovative products that meet forthcoming megatrends.

### Major Achievements in Research & Development

- Commercialization of the world's first LCD TVs allowing 3D images to be viewed without any need for special 3D glasses.
- Commercialization of the world's first twin-screen touch panel Windows® mini notebook PC, to mark the 25th anniversary of Toshiba's notebook PCs.
- Development of the world's smallest class of NAND flash memory chip with state-of-the-art 24-nanometer process technology
- Development of new high capacity 60Ah SCiB™ rechargeable battery that boosts stored energy density by approximately 1.3 times.
- Development of the ZABOON drum-type washer-dryer machine, which uses newly-developed active suspension to absorb drum vibration. Commercialization of the world's first\* drum-style washing and drying machine loaded with a variable magnetic motor.
- Commercialization of an LED light engine that uses a new socket type with an external heat dissipation structure.

\* As of September 21, 2010. Practical use of active suspension in a washing machine (Source: Toshiba).



## Intellectual Property Intellectual Property Strategy

Our intellectual property strategy is unified in a triune with Toshiba's strategies for growth and R&D, and this is the starting point for IP management that seeks to maximize the value of our intellectual property.

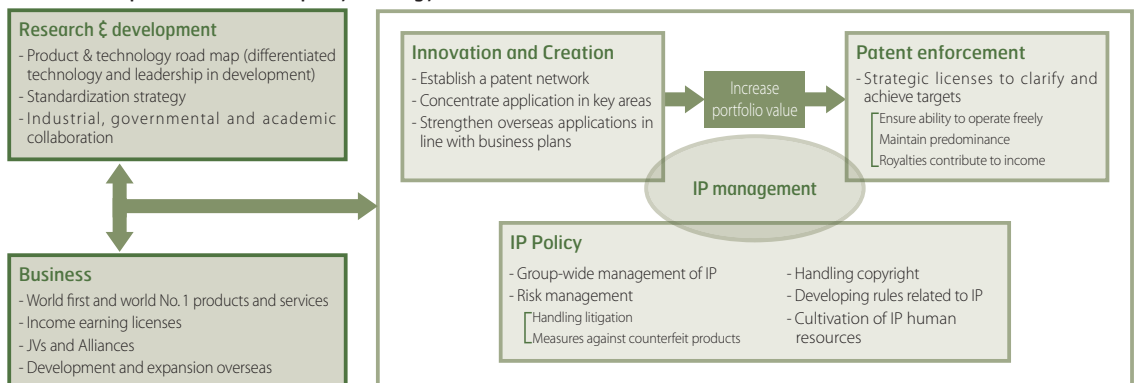
We advance innovation and creation through patent applications that support our overall business plan. We are also increasing overseas applications, including those in emerging

markets.

In using and managing IP, our business model is based on differentiation and licensing, and targeted on making a larger contribution to increasing operating profit.

Toshiba's breakthroughs win high praise. The Japan Institute of Invention and Innovation recognized our contributions to technology and industry at the 2010 National Commendation for Invention with two major awards.

### Toshiba Group's Intellectual Property Strategy



### 2010 National Commendation for Invention

"The 21st century Invention Prize" patent No. 3892808 for "Natural and easily viewable 3D display"

"The Invention Prize" design No. 1325882 for "Computed Tomography X-ray System"

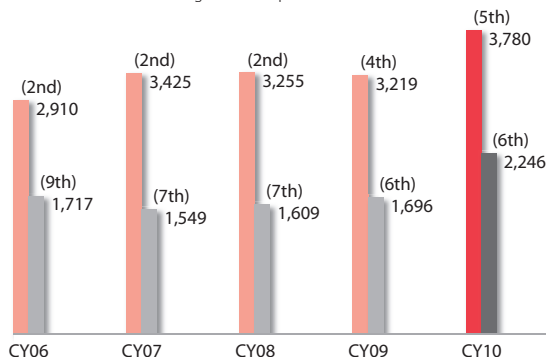
\*Shared with Toshiba Medical Systems Corporation



### Number of registered patents

■ Japan ■ U.S.

Note: Toshiba's ranking shown in parenthesis



#### Number of patents registered in Japan (2010)

Ranking	Company name	Number of Japan registered patents
1	Panasonic	5,558
2	Sony	4,768
3	Toyota Motors	3,959
4	Canon	3,902
5	Toshiba	3,780
6	Honda Motors	3,280
7	Denso	3,169
8	Mitsubishi Electric	3,060
9	Seiko Epson	3,014
10	Sharp	2,852

Survey results generated using Patolis

#### Number of patents registered in United States (2010)

Ranking	Company name	Number of U.S. registered patents
1	IBM	5,896
2	Samsung Electronics	4,551
3	Microsoft	3,094
4	Canon	2,552
5	Panasonic	2,482
6	Toshiba	2,246
7	Sony	2,150
8	Intel	1,653
9	LG Electronics	1,490
10	Hewlett-Packard	1,480

Source: IFI Co. (US) data

# CSR Management

Striving for unshakable integrity and meeting the expectations of all of our stakeholders

Toshiba Group positions the promotion of CSR (corporate social responsibility) as a main pillar of management policy and strives to act with unswerving integrity.

## Toshiba Group's concept of integrity

1. To meet our responsibilities to society
2. To secure sound management and finances

## Promoting CSR management as one of Toshiba Group's management policies

Toshiba Group management policies include "pushing forward with CSR management" in addition to "continuing to accelerate globalization" and "setting ambitious goals for innovation and speeding its pace" in order to "make Toshiba an even stronger global contender." CSR is embedded in management and an integral part of our management policies.

In promoting CSR management in line with global standards, in 2004 Toshiba became a signatory to the United Nations Global Compact, which defines universal principles regarding human rights, labor standards, the environment and anti-corruption.

We also strive to align our CSR practices with ISO 26000, the international guidance on social responsibility issued in 2010.

## Pursuing the two meanings of integrity

In advancing CSR management, Toshiba Group strives for unshakable integrity in all we do.

One way of acting with integrity is to meet

our responsibilities to society.

In other words, this means addressing global issues, such as energy security and environmental problems through our business activities.

In particular, with regard to environmental challenges, Toshiba has introduced the concept of "three greens" in order to become one of the world's foremost eco-companies, contributing to richer lifestyles in harmony with the Earth. (Please refer to "Environmental Management" on P.38.)

The second meaning of integrity is to form a stable revenue base and maintain a robust financial footing in order to continue to be trusted by society.

In all business activities, Toshiba Group accords the highest priority to human life, safety and compliance as an operating principle. We make sure that all our employees also share this understanding. In addition to the "Toshiba Group Standards of Conduct," now translated into 15 languages, we carry out comprehensive training in laws and regulations related to anti-trust and protection of personal data.

In cultivating an integrity-oriented corporate culture, we initiated "integrity workplace meetings" in Japan for all our employees in FY2010.

## Meeting the expectations of our stakeholders is CSR Management

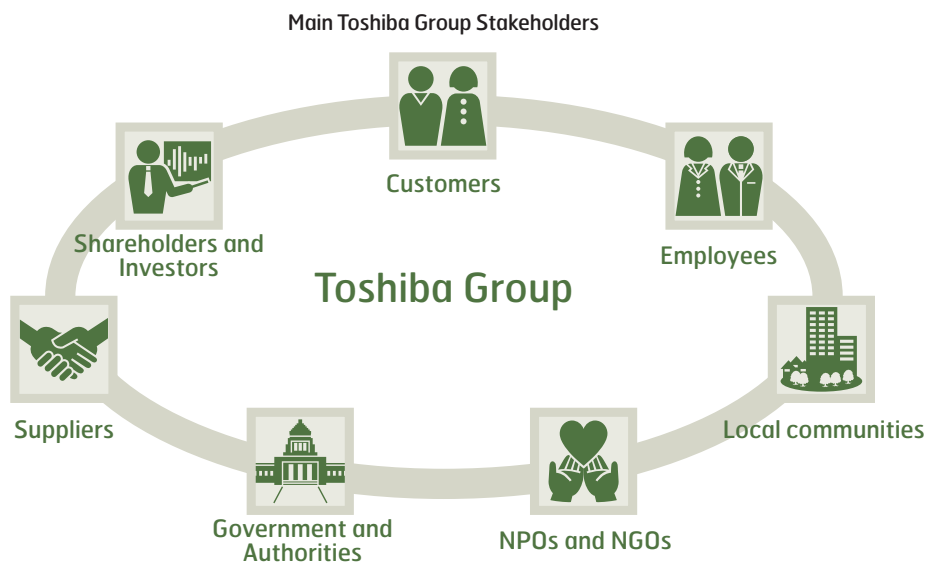
Alongside shareholders and investors, Toshiba Group's stakeholders include our customers, employees and suppliers. We strive to fully understand and respond to their concerns, and toward this we communicate with them in a number of ways.

Toshiba Group's primary responsibilities toward shareholders and investors are to provide timely, appropriate information and a reasonable

share of profit. We seek to supply customers with safe, reliable and worthwhile products and services, and provide prompt information in the event of product accidents or other problems.

In this spirit, we are also channeling our strengths into supporting recovery from the Great East Japan Earthquake. (Please refer to P.14-15.)

We will continue to endeavor to live up to our stakeholder expectations and advance CSR management so as to continue to be a company trusted by society.



### Evaluation of Toshiba's CSR in FY2010

Name	Evaluating body	Evaluation
DJSI (Dow Jones Sustainability Indexes)	SAM (a Swiss SRI company) and Dow Jones Indexes (U.S.)	Selected as one of approximately 300 constituent companies (for 11 years in a row)
Corporate Sustainability Assessment	SAM	SAM Silver Class
Corporate Social Performance Survey	Public Resource Center (Japan)	A (highest rank)
Survey of Corporate Integrity and Transparency	Integrex (Japan)	2nd place
Survey of Japan's Worker-Friendly Companies	Nihon Keizai Shimbun Inc.	2nd place
Quality Management Level Research	Union of Japanese Scientists and Engineers (JUSE) (in cooperation with Nihon Keizai Shimbun Inc.)	4th place
Survey of Environmental Management Level	Nihon Keizai Shimbun Inc.	3rd place





# Disclosure of information through comprehensive reporting

## We disclose information through the Annual Report, CSR Report, Environmental Report and Social Contribution Activities Report.

Toshiba Group reports financial information to stakeholders in the Annual Report and non-financial information in the CSR Report.

As we believe we have a duty to supply detailed information on environmental activities,

we issue an Environmental Report separately from the CSR Report.

Whatever the nature of the information, we make every effort to provide news and timely updates on our websites.

### CSR Report/CSR Website



CSR Report  
(Issued in August 2011)



CSR website  
<http://www.toshiba.co.jp/csr/en/index.htm>

The CSR Report provides information on Toshiba Group's major CSR management activities.

The CSR website provides detailed and timely CSR-related information.

#### Key reporting items (CSR website)

- Topics
- Philosophy and Policy
- Highlights
- CSR performance
- Organizational Governance, Human Rights, Labor Practices, Environment, Fair Operating Practices, Consumer Issues, Community Involvement and Development
- Engagement
- Other information

### Environmental Report/Environmental Management Website



Environmental Report  
(Scheduled to be issued in October 2011)



Environmental management website  
<http://www.toshiba.co.jp/env/en/index.htm>  
\* Website update scheduled to be performed in conjunction with the issuance of the Report

In the Environmental Report, we provide a detailed description of the global environmental management of Toshiba Group as a whole. On the environmental management website, we provide not only information on the Group's environmental activities in a timely manner, but also environmental reports on our business sites and group companies. Furthermore, we have established a special website called "TOSHIBA eco style."

#### Key reporting items (Environmental management website)

- Topics
- Environmental Vision 2050
- Green Management
- Greening of Process
- Greening of Products
- Greening by Technology



eco style website  
[ecostyle.toshiba.com](http://ecostyle.toshiba.com)

### Social Contributions Activities Report/Corporate Citizenship Activities Website



Social Contributions Activities Report  
(Scheduled to be issued in December 2011)



Corporate citizenship activities website  
<http://www.toshiba.co.jp/social/en/index.htm>

In the Social Contributions Activities Report, we report on Toshiba Group's global corporate citizenship activities.

On the corporate citizenship activities website, we provide detailed, timely information that is not covered by the Social Contributions Activities Report.

#### Key reporting items (Corporate citizenship activities website)

- Protection of the Environment
- Scientific and Technical Education
- International Exchanges
- Sports and Culture
- Social Welfare
- Employee Voluntary Activities
- Social Contribution Activities
- Toshiba "ASHITA" Award

Toshiba Group promotes corporate governance based on the fundamental policies of enhancing management efficiency, increasing transparency and maximizing corporate value from the shareholders' perspective.

## Toshiba's Governance System

Toshiba's corporate governance follows the fundamental policies of maximizing corporate value from the shareholders' perspective and improving management efficiency and transparency.

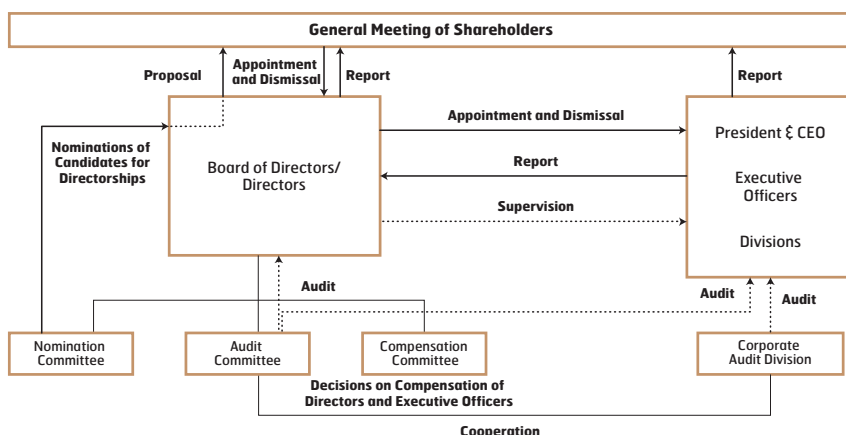
Guided by this, we revitalized the Board of Directors and reduced its membership with the 1998 introduction of the executive officer system. Other management initiatives followed. In 2000, we voluntarily established a Nomination Committee and the Compensation Committee. In 2001, we introduced a system of appointing three outside directors and reducing the term of office for directors to one year. And in 2003, following a change in the commercial code, in another move toward reinforcing management efficiency and

transparency, we introduced the Company with Committees system, pursuant to a resolution approved by the annual meeting of the shareholders.

As a Company with Committees we separate functions: basic policy making and supervision of management are undertaken by the board of directors and the committees, while executive officers are responsible for business operations. This approach has strengthened management supervision while increasing transparency, and brought greater flexibility to management.

The Nomination Committee makes proposals on appointments and dismissals members of the board that are subject to approval by the meeting of shareholders. The Compensation Committee decides the individual remuneration of executive officers and board members.

### Corporate Governance Structure



Toshiba is expanding globally through business structural reform and promoting its focus on “strategic allocation of business resources.”

It is very important for a global corporation such as Toshiba to make its top leaders as visible as possible. I think successive generations of top management have demonstrated leadership and done a good job of sending the Company’s message including its ideas and principles to a wide audience in and out of Japan.

To become a truly global company, in addition to its renowned technology and innovation, Toshiba must cultivate human resources capable of operating internationally. People in global HR must be able to work anywhere in the world and have a flexible attitude that allows them to adapt to national environments and cultural characteristics, in the emerging markets, for example.

Time waits for no one, and from top management to the youngest employees, Toshiba’s people must quickly polish their international perspective, and strengthen adaptability and ability to communicate. Toshiba must also increase overseas recruitment for both local and global operations.

I will continue to make proposals from my perspective as a former diplomat, and hope that they may be of some use.



Outside Director  
Hiroshi Hirabayashi

Today’s Toshiba is moving towards true globalization. This raises many issues and is bound to result in some difficulties. How to progress toward globalization is one concern and a challenge that Toshiba now faces in its corporate organization.

A company’s corporate organization needs to change as its environmental changes. Timing is important. After having observed the measures being taken by Toshiba, I am convinced that the Company’s top management is moving in the right direction and improving the organizational structure.

Globalization will require employees to change their way of thinking. And as business reaches into many parts of the world, it will be important to ensure that the system of governance meets the requirements of a global corporation.

There are times in business when “strategic allocation of resources” can conflict with risk control. The way that those are balanced will be important. I hope to help achieve that balance by offering my opinion.



Outside Director  
Takeshi Sasaki

I have served as an outside director for two years now, and my unchanged impression is of an open company with a high level of transparency. That includes the board of directors, which encourages frank expressions of opinions.

I believe that top management has a good understanding of corporate governance and compliance and that they are soundly implemented.

As Toshiba develops globally, all kinds of risks must be considered before they occur, and efforts made to minimize potential risk areas. Risk management must be further enhanced to function globally.

In terms of responding to society’s demands, it is not enough to simply observe already established rules. What is needed is to focus on potential future events and to create rules for responding to them. Penetrating this kind of thinking throughout the company will, I think, secure improvement.

I will continue to make proposals from a legal perspective on issues that need attention.



Outside Director  
Takeo Kosugi

Furthermore, the Toshiba's Nomination Committee is also responsible for making proposals on the appointment and removal of the president and chief executive officer and the members of the other committees.

The board of directors now has six nonexecutive directors: three outside directors, the chairman of the board, two members of the Audit Committee appointed from in-house.

The three committees—the Nomination Committee, the Audit Committee and the Compensation Committee—all have a majority of outside directors.

The three outside directors who serve on the Audit Committee are supported by the committee's dedicated, full-time staff, and the outside directors on the Nomination Committee and Compensation Committee are also provided with staff support.

As a company with Committees, Toshiba delegates operational decision-making to executive officers. The board plays a supervisory role in respect of operations, retaining the right of final decision only in such matters that might have a considerable impact on shareholder value.

In respect of operations, decisions on key matters are made by the chief executive officer mainly at the corporate management meeting, which meets weekly as a general rule. Other matters are determined by in-house company presidents at individual in-house company management meetings.

### Toshiba's Internal Control Systems

Toshiba Group constantly refines its system of internal controls, towards ensuring management effectiveness and efficiency and reliable reporting on operations and finances and to secure high

level legal compliance and risk management.

We also ensure that domestic Group companies, regardless of the scale of their operations, establish internal control systems based on those of the parent company.

The following website provides detailed information on the structure of our internal control systems.

[http://www.toshiba.co.jp/about/ir/en/policy/governance\\_system.htm](http://www.toshiba.co.jp/about/ir/en/policy/governance_system.htm)

### Risk Management

At Toshiba, throughout our worldwide operations, we strive to ensure compliance with laws and regulations, social and ethical norms, and internal rules. According top priority to human life and safety and to compliance in everything we do underpins our commitment to promoting business activities through fair competition and serving the interests of customers to the best of our ability.

We consider thorough adherence to the Toshiba Group Standards of Conduct (SOC), which embodies the Basic Commitment of the Toshiba Group, to be the foundation of our compliance. Thus we are working toward the SOC becoming an integral part of the entire Toshiba Group. Every year, priority themes regarding compliance are established and promoted in light of business circumstances. By implementing a Plan-Do-Check-Action (PDCA) cycle of self-assessment, not only at each in-house company but also at group companies worldwide, we are stepping up our efforts to ensure compliance.

The Risk Compliance Committee, headed by the CRO\*, manages serious risk and compliance issues and works with each relevant division to strengthen the risk management system by

developing countermeasures to specific risks, plus measures to prevent their spread and recurrence.

\*Chief Risk Compliance Management Officer

## The Status of Internal Audits and Audits by the Audit Committee

The Corporate Audit Division, now staffed by 52 people, reports directly to the president. It is responsible for internal audits from the perspectives of appropriate operational procedures, accountability of results and legal compliance.

The Division holds advance discussions with the Audit Committee on each year's audit policy and plans. It also holds semimonthly liaison

meetings with the Audit Committee for pre-audit discussions and to share information on the divisions subject to audit.

The Corporate Audit Division carries out on-site inspections and reports its results to the Audit Committee. However, if it deems it necessary, the Audit Committee has the right to carry out its own on-site inspections.

At the Furthermore, in addition to receiving explanations from independent auditors (CPA) on their audit plans at the beginning of each fiscal year, the Audit Committee can also request reports on the status of audits during the course of each term, and explanations and reports on end-of-year audits, as necessary.

## Outside Directors

### 1) Names and other details.

Name	Reasons for selection	Significant concurrent positions
Hiroshi Hirabayashi	Mr. Hirabayashi currently properly supervises the Company's management based on his rich experience and knowledge as a diplomat, including ambassador in charge of inspection.	Outside director, Mitsui & Co., Ltd.; outside director, Daiichi Sankyo Company, Limited; outside director, NHK Promotions Inc.; president, The Japan-India Association.
Takeshi Sasaki	Mr. Sasaki currently properly supervises the Company's management based on his rich experience and knowledge as a political scientist and University administrator.	Professor in the Department of Political Studies in the Faculty of Law, Gakushuin University; president of the Association For Promoting Fair Elections; outside director of Orix Corp; president of National Land Afforestation Promotion Organization; outside director of East Japan Railway Company, chairman of Labo International Exchange Foundation.
Takeo Kosugi	Mr. Kosugi currently properly supervises the Company's management based on his rich experience and knowledge as a specialist in law.	Partner & attorney-at-law, Matsuo & Kosugi; outside auditor of Nihon Servier Co. Ltd.; outside director of Fujifilm Holdings Corp; supervisory director of Mori Hills REIT Investment Corp.

All three outside directors are independent directors as provided for in Article 436-2 of the Security Listing Regulations of the Tokyo Stock Exchange, etc.

2) Relationship between the Company and entities at which outside directors hold important concurrent posts

Toshiba has an ongoing business relationship with Fujifilm Group which consists of Fujifilm Holdings Corporation and its subsidiaries, Mitsui & Co., Ltd. and East Japan Railway Company.

In addition, Mitsui & Co., Ltd. holds Toshiba's shares in a trust for its corporate pension plan.

There is no relationship to be disclosed between the Company and other entities at which outside directors concurrently hold important posts.

3) Main activities

In FY2010, the Board of Directors met 13 times, and the Audit Committee 11 times, where the outside directors commented as necessary. The outside directors received explanations about the matters to be resolved at the board meetings from the

staff in charge, etc., in advance. They also attended the monthly liaison conferences of executive officers in an effort to communicate and share information with the executive officers. The outside directors who were members of the Audit Committee were supported by the full-time staff of the Audit Committee Office. The outside directors who were members of the Nomination Committee or the Compensation Committee were supported by the staff in charge, etc.

4) Limited liability contracts

The Company has signed a limited liability contract with each of the three outside directors, Messrs. Hiroshi Hirabayashi, Takeshi Sasaki, and Takeo Kosugi, to limit their liabilities as provided in Article 423, Paragraph 1 of the Companies Act to 31.2 million yen or the minimum liability amount stated in Article 425, Paragraph 1 of the Companies Act, whichever is larger.

Name	Attendance record at meetings of Board of Directors and Audit Committee
Hiroshi Hirabayashi	Attended meetings of the Board of Directors 11 times and of the Audit Committee 9 times.
Takeshi Sasaki	Attended meetings of the Board of Directors 13 times.
Takeo Kosugi	Attended meetings of the Board of Directors 13 times and of the Audit Committee 11 times.

## Compensation Policy and the Amount of Compensation

1) Compensation policy

The Compensation Committee establishes compensation policy regarding compensation of each director and/or executive officer as follows.

Since the main responsibility of directors is to supervise the execution of the overall Group's business, compensation for directors is determined

at an adequate level to secure highly competent personnel and to ensure effective work of the supervisory function.

Since the responsibility of executive officers is to increase corporate value in their capacity as executives responsible for companies or divisions within the Group, compensation for executive officers is divided into fixed compensation and performance-based compensation, and

determined at an adequate level to secure highly competent personnel and ensure their compensation package functions as an effective incentive to improve business performance.

#### (1) Director's compensation

Fixed compensation is paid to directors who do not concurrently hold office as an executive officer, and is based on status as a full-time or part-time director and on the duties performed.

The fixed compensation is paid to directors who concurrently hold office as an executive officer, in addition to the executive officer compensation specified in (2) below.

#### (2) Executive officer's compensation

Executive officer compensation is comprised of the basic compensation based on executive officer rank (eg. representative executive officer, president and chief executive officer, representative

executive officer, corporate senior executive vice president) and the service compensation calculated according to the duties of the executive officer. Some 40-45% of the service compensation will fluctuate from zero (no compensation) to 2 times according to the year-end performance of the Company or of the division for which the executive officer is responsible.

#### (3) Compensation standards

Compensation standards are determined at suitable levels for a global company, with the aim of securing highly competent management personnel. The compensation standards of other listed companies and payroll and benefits of employees are considered when determining the Company's compensation standards of management.

## 2) Amounts of compensation for FY2010

Amounts of compensation of directors and executive officers for FY2010 are as follows:

Position	Total Amount (Millions of yen)	Fixed Compensation (Millions of yen)	Performance based Compensation (Millions of yen)	Number of Persons
Directors (excluding outside directors)	222	222	–	10
Outside directors	61	61	–	4
Executive officers	1,208	1,046	163	38

Directors and executive officers whose total compensation exceeded 100 million yen for FY2010

Name	Position	Company	Fixed Compensation (Millions of yen)	Performance Based Compensation (Millions of yen)	Total Amount (Millions of yen)
Atsutoshi Nishida	Director	Toshiba Corporation	116	–	116

# Directors and Executive Officers

## Directors



**Atsutoshi Nishida**  
*Chairman of the Board and Director*  
*Nomination Committee Member*  
*Compensation Committee Member*



**Norio Sasaki**  
*Director*  
*Compensation Committee Member*



**Masashi Muromachi**  
*Director*



**Hidejiro Shimomitsu**  
*Director*



**Hisao Tanaka**  
*Director*



**Hideo Kitamura**  
*Director*

## Executive Officers

*Representative Executive Officer*  
*President and Chief Executive Officer*

**Norio Sasaki**

*Representative Executive Officers*  
*Corporate Senior Executive Vice Presidents*

**Masashi Muromachi**  
**Hidejiro Shimomitsu**  
**Hisao Tanaka**  
**Hideo Kitamura**

*Representative Executive Officer*  
*Corporate Executive Vice President*

**Makoto Kubo**

*Executive Officers*  
*Corporate Executive Vice Presidents*

**Yoshihide Fujii**  
**Shozo Saito**  
**Toshiharu Watanabe**  
**Yasuharu Igarashi**  
**Akira Sudo**

*Executive Officers*  
*Corporate Senior Vice Presidents*

**Kazuyoshi Yamamori**  
**Kiyoshi Kobayashi**  
**Toshio Masaki**  
**Masaaki Oosumi**  
**Shoji Yoshioka**  
**Hiroshi Saito**  
**Shigenori Shiga**  
**Masayasu Toyohara**





**Makoto Kubo**  
*Director*



**Toshiharu Watanabe**  
*Director*



**Fumio Muraoka**  
*Director*  
*Chairman of Audit Committee*



**Hiroshi Horioka**  
*Director*  
*Audit Committee Member*



**Hiroshi Hirabayashi**  
*Outside Director*  
*Chairman of Compensation Committee*  
*Audit Committee Member*



**Takeshi Sasaki**  
*Outside Director*  
*Chairman of Nomination Committee*  
*Audit Committee Member*  
*Compensation Committee Member*



**Takeo Kosugi**  
*Outside Director*  
*Nomination Committee Member*  
*Audit Committee Member*  
*Compensation Committee Member*

*Executive Officers*  
*Corporate Vice Presidents*

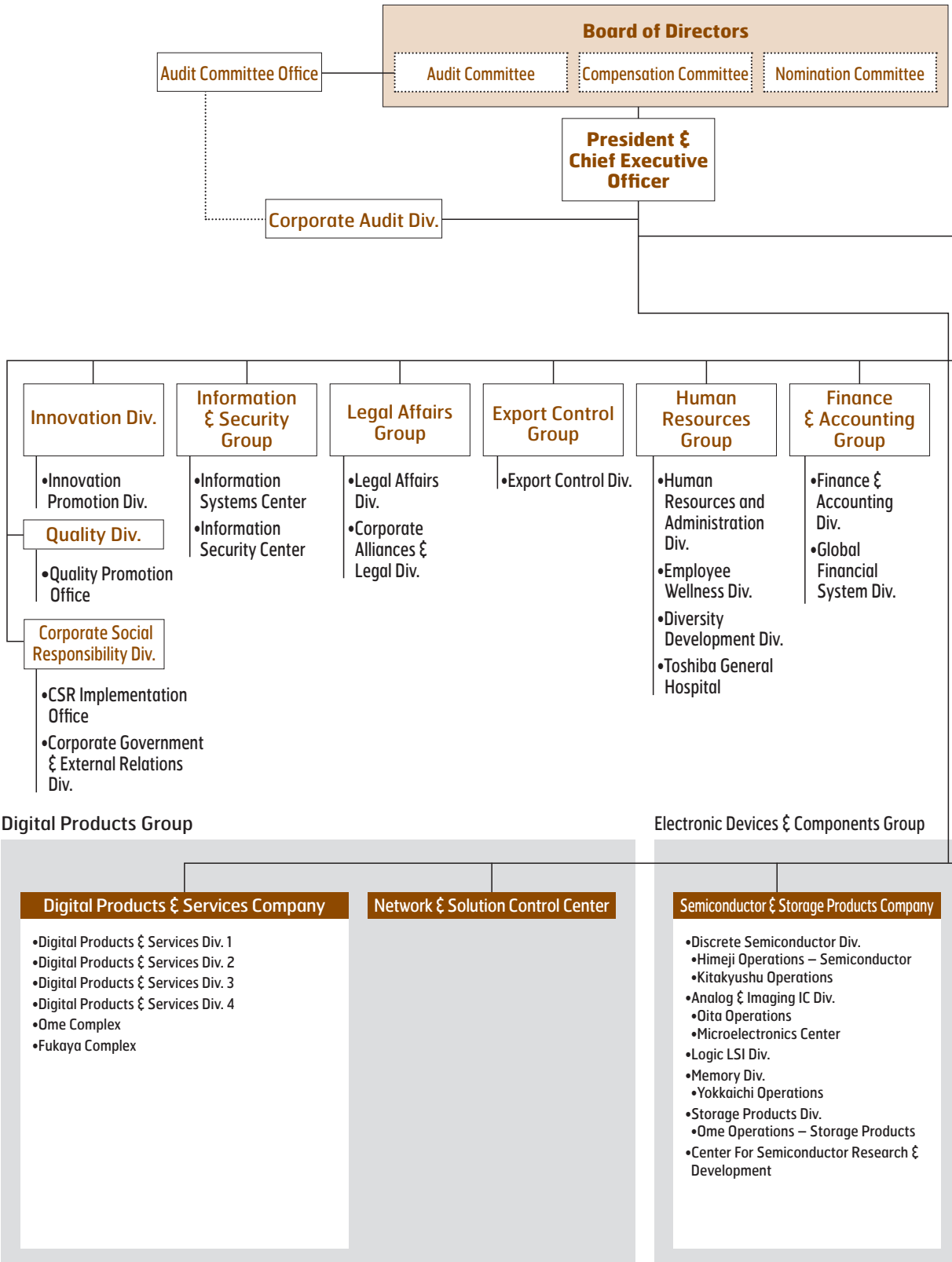
**Koji Iwama**  
**Masakazu Kakumu**  
**Yasuhiro Shimura**  
**Munehiko Tsuchiya**  
**Masazumi Yoshioka**  
**Hiroshi Igashira**  
**Hironobu Nishikori**

**Makoto Hideshima**  
**Teruo Kiriya**  
**Osamu Maekawa**  
**Yasuo Naruke**  
**Shigenori Tokumitsu**  
**Naoki Takenaka**  
**Kiyoshi Okamura**

**Takeshi Yokota**  
**Fumiaki Ushio**

(As of June 22, 2011)

# Organization Chart (As of July 1, 2011)



**Strategic Planning & Communications Group**

- Corporate Strategic Planning Div.
  - Corporate Communications Office
- Corporate Representatives  
—America, Europe, Asia, China

**Procurement & Logistics Group**

- Procurement Div.
- Logistics Planning Office

**Productivity & Environment Group**

- Corporate Productivity Planning Div.
- Corporate Environment Management Div.
- Corporate Manufacturing Engineering Center
- Yokohama Complex
- Himeji Operations

**Technology & Intellectual Property Group**

- Technology Planning Div.
- Intellectual Property Div.
- Corporate Research & Development Center
- Corporate Software Engineering Center

**Marketing Group**

- Marketing Planning Div. (Overseas Offices)
  - Moscow
  - Johannesburg
  - Baghdad
- Customer Satisfaction Div.
- Corporate Sales & Marketing Div.
- Advertising Div.
- Design Center

**New Lighting Systems Div.**

**Smart Community Div.**

**Materials & Devices Div.**

**Infrastructure Systems Group**

**ODD Div.**

**Power Systems Company**

- Nuclear Energy Systems & Services Div.
- Isogo Nuclear Engineering Center
- WEC Div.
- Thermal & Hydro Power Systems & Services Div.
- Power and Industrial Systems Research and Development Center
- Keihin Product Operations

**Social Infrastructure Systems Company**

- Transmission & Distribution Systems Div.
- Railway & Automotive Systems Div.
- Railway Systems Div.
- Automotive Systems Div.
- Motor & Drive Systems Div.
- Automation Products & Facility Solution Div.
- Defense & Electronic Systems Div.
- Environmental Systems Div.
- Fuchu Complex
  - Saku Operations
  - Kashiwazaki Operations
- Hamakawasaki Operations
- Komukai Operations
- Mie Operations

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

## Consolidated Subsidiaries

### Domestic

- Harison Toshiba Lighting Corporation
- Iwate Toshiba Electronics Co., Ltd.
- Kaga Toshiba Electronics Corporation
- Nishishiba Electric Co., Ltd.\*
- Nuclear Fuel Industries Ltd.
- Toshiba Carrier Corporation
- Toshiba Consumer Electronics Holdings Corporation
- Toshiba Consumer Marketing Corporation
- Toshiba Device Corporation
- Toshiba Elevator and Building Systems Corporation
- Toshiba Home Appliances Corporation
- Toshiba Industrial Products Sales Corporation
- Toshiba Information Equipments Co., Ltd.
- Toshiba Lighting & Technology Corporation
- Toshiba Logistics Corporation
- Toshiba Medical Systems Corporation
- Toshiba Mobile Display Technology Co., Ltd.
- Toshiba Plant Systems & Services Corporation\*
- Toshiba Solutions Corporation
- Toshiba Storage Device Corporation
- Toshiba TEC Corporation\*
- Toshiba Trading Inc.

200 companies in total including the above 22.

\* Company listed on stock market

### Overseas

- Chevalier (HK) Ltd.
- Dalian Toshiba Television Co., Ltd.
- Northern Virginia Semiconductor L.L.C.
- TAI Receivables Corporation
- Taiwan Toshiba International Procurement Corporation
- Toshiba America Business Solutions, Inc.
- Toshiba America Capital Corporation
- Toshiba America Electronic Components, Inc.
- Toshiba America Information Systems, Inc.
- Toshiba America Medical Systems, Inc.
- Toshiba America MRI, Inc.
- Toshiba America Nuclear Energy Corporation
- Toshiba America, Inc.
- Toshiba Capital (Asia) Ltd.
- Toshiba Dalian Co., Ltd.
- Toshiba Electronics Asia, Ltd.
- Toshiba Europe GmbH
- Toshiba Information Equipment (Hangzhou) Co., Ltd.
- Toshiba Information Equipment (Philippines), Inc.
- Toshiba Information, Industrial and Power Systems Taiwan Corporation
- Toshiba International Corporation
- Toshiba International Finance (UK) Plc.
- Toshiba International Procurement Hong Kong, 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 Singapore Pte., Ltd.
- Toshiba Storage Device (Philippines), Inc.
- Toshiba TEC France Imaging Systems S.A.
- Toshiba Transmission and Distribution Brazil Ltd.
- Toshiba Transmission and Distribution Systems 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 35.

## 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.
- NuFlare Technology Incorporated\*
- 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

82 companies in total including the above 13.

\*Listed company in stock markets

### Overseas

- Dalian Toshiba Locomotive Electric Equipment Co., Ltd.
- Energy Asia Holdings, Ltd.
- GD Midea Air-Conditioning Equipment Co., Ltd.
- GD Midea Commercial Air-Conditioning Equipment Co., Ltd.
- GD Midea Group Wuhan Air-Conditioning Equipment Co., Ltd.
- GD Midea Group Wuhu Air-Conditioning Equipment Co., Ltd.
- Guangdong Meizhi Compressor Ltd.
- Henan Pinggao Toshiba High-Voltage Switchgear Co., Ltd.
- Japan Uranium Management Inc.
- Semp Toshiba Amazonas S.A.
- TM GE Automation Systems L.L.C.

120 companies in total including the above 11.

(As of March 31, 2011)

- 
- July 1875** Telegraph equipment factory (called Tanaka Seizo-sho from 1882; later Shibaura Engineering Works Co., Ltd.) opened in Tokyo.
- 
- Apr. 1890** Hakunetsu-sha & Co., Ltd. (from 1899 Tokyo Electric Company) founded.
- 
- June 1904** Shibaura Engineering Works Co., Ltd. established.
- 
- Sep. 1939** Shibaura Engineering Works Co., Ltd. merged with Tokyo Electric Company to become Tokyo Shibaura Electric Co., Ltd.
- 
- Oct. 1942** Absorbed Shibaura Mazda Industry Co., Ltd. and Nippon Medical Electric Co., Ltd., expanding home appliance line-up.
- 
- July 1943** Absorbed Tokyo Electric Co., Ltd. and Toyo Fire Brick Co., Ltd., expanding line-up of communications equipment.
- 
- Apr. 1950** Absorbed Toshiba Rolling Stock Co., Ltd., expanding rolling stock products.
- 
- Nov. 1955** Absorbed Dengyo-sha Prime Mover Works Ltd.
- 
- Nov. 1961** Absorbed Ishikawajima-Shibaura Turbine Co., Ltd. expanding line-up of turbines.
- 
- Oct. 1974** Transferred plastic and insulating materials business to Toshiba Chemical Corp. (now KYOCERA Chemical Corp.)
- 
- July 1978** English official trade name of the company became "Toshiba Corporation."
- 
- Apr. 1984** Japanese official trade name of the company became "Toshiba Corporation."
- 
- Dec. 1989** Absorbed Nippon Atomic Industry Group Co., Ltd.
- 
- June 1998** Introduced corporate executive officer system.
- 
- Apr. 1999** Introduced in-house company system.
- 
- July 2001** Changed registered headquarters from Kawasaki City, Kanagawa, to Minato Ward, Tokyo.
- 
- Aug.** Announced "01 Action Plan."
- 
- Oct. 2002** Transferred transmission & distribution system business to TM T&D Corp.
- 
- Mar. 2003** Transferred CRT business to MT Picture Display Co., Ltd.
- 
- Jun.** Adopted the Company with Committees system.
- 
- Oct.** Transferred electric equipment for manufacturing plants business to TMA Electric Corp. (now Toshiba Mitsubishi-Electric Industrial Systems Corp.)
- 
- Jan. 2004** Joined the United Nations Global Compact.
- 
- Apr. 2005** Acquired T&D business from TM T&D Corp.
- 
- Oct. 2006** Acquired Westinghouse Group.
- 
- Jan. 2009** Announced "Action Programs to Improve Profitability."
- 
- June** Raised funds by public offering for the first time since 1981.
- 
- Oct.** Acquired HDD business from Fujitsu Ltd.
- 
- Oct. 2010** Merged mobile phone business with that of Fujitsu Ltd. and transferred the business to Fujitsu Toshiba Mobile Communications Ltd.
-

# Basic Commitment of the Toshiba Group

The management principles of Toshiba Group. In order to “show respect for people,” “create abundant value” and “contribute to the lives and cultures of the global citizens.” Beyond that, to express and sum up these management principles, we have adopted the Group slogan, “Committed to People, Committed to the Future.”

## 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**

#### Framework of Toshiba Group's Management Philosophy

##### Basic Commitment of the Toshiba Group

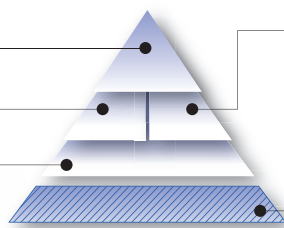
Toshiba Group's mission

##### Toshiba Group Management Vision

A set of values and targets shared throughout Toshiba Group

##### Toshiba Group Standards of Conduct

Standards of conduct to which everyone in Toshiba Group is required to adhere



##### Toshiba Brand Statement

##### United Nations Global Compact\*

Responsibilities as a global enterprise

\* UN Global Compact: A voluntary corporate citizenship initiative concerning human rights, labor, the environment, and anti-corruption proposed by the former UN Secretary-General Kofi Annan in 1999 at the World Economic Forum. Toshiba joined the UN Global Compact in 2004.

Toshiba Group's Corporate Philosophy emphasizes respect for people, creation of new value, and contribution to society.

The Group slogan - “Committed to People, Committed to the Future. TOSHIBA.” - expresses the essence of our corporate philosophy.

We recognize that it is our corporate social responsibility (CSR) to put our philosophy and slogan into practice in our day-to-day business activities. In doing so, we accord the highest priority to human life and safety and to compliance.

## Data Section

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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, 2011, please refer to the "Financial Review 2011."

# Consolidated Financial Summary

Year ended March 31	2001	2002	2003	2004
<b>Net Sales, Operating Income (Loss) and Net Income (Loss) Attributable to Shareholders of Toshiba Corporation</b>				
Net sales	¥5,746.4	¥5,191.7	¥5,441.5	¥5,389.7
Cost of sales	4,154.5	3,913.9	3,970.2	3,913.7
Selling, general and administrative expenses	1,368.2	1,393.8	1,354.6	1,293.9
Operating income (loss)	223.7	(116.0)	116.7	182.1
Income (loss) from continuing operations, before income taxes and noncontrolling interests	189.7	(370.9)	59.6	147.6
Income taxes	93.0	(113.0)	49.0	105.6
Net income (loss) attributable to shareholders of Toshiba Corporation	96.2	(254.0)	18.5	28.8
EBITDA*1	568.5	(17.3)	341.5	414.1
<b>Profitability Ratios</b>				
Operating income ratio (%)	3.9	(2.2)	2.1	3.4
Return on sales (%)	1.7	(4.9)	0.3	0.5
Cost of sales ratio (%)	72.3	75.4	73.0	72.6
Selling, general and administrative expenses ratio (%)	23.8	26.8	24.9	24.0
<b>Total Assets, Equity Attributable to Shareholders of Toshiba Corporation and Interest-bearing Debt</b>				
Total assets	5,724.6	5,407.8	5,238.9	4,462.2
Equity Attributable to Shareholders of Toshiba Corporation	1,047.9	705.3	571.1	755.0
Interest-bearing debt	1,787.6	1,818.5	1,653.4	1,199.5
Long-term debt	990.3	888.7	882.0	701.9
Short-term debt	797.3	929.8	771.4	497.6
Shareholders' equity ratio (%)*2	18.3	13.0	10.9	16.9
Debt/equity ratio (Times)*3	1.7	2.6	2.9	1.6
<b>R&amp;D, Capital Expenditures and Depreciation</b>				
R&D expenditures	318.7	304.1	306.3	315.6
Capital expenditures (Property, plant and equipment)	267.3	344.7	227.8	224.7
Depreciation (Property, plant and equipment)	306.4	308.9	235.3	221.3
<b>Return Indicators</b>				
Return on investment (ROI) (%)*4	7.3	(4.1)	4.6	8.1
Return on equity (ROE) (%)*5	9.1	(29.0)	2.9	4.3
Return on total assets (ROA) (%)*6	1.7	(4.6)	0.3	0.6
<b>Efficiency Indicators</b>				
Inventory turnover (Times)*7	6.94	6.86	8.23	8.56
Total assets turnover (Times)*8	1.00	0.93	1.02	1.11
Inventory turnover (Days)*9	52.62	53.18	44.37	42.62
<b>Cash Flows</b>				
Net cash provided by (used in) operating activities	453.6	149.2	271.6	322.7
Net cash used in investing activities	(176.7)	(325.6)	(148.0)	(189.5)
Net cash provided by (used in) financing activities	(285.6)	53.5	(159.8)	(132.7)
Effect of exchange rate changes on cash and cash equivalents	31.1	5.8	(7.2)	(8.3)
Net increase (decrease) in cash and cash equivalents	22.4	(117.2)	(43.3)	(7.8)
Cash and cash equivalents at end of year	487.6	370.4	327.1	319.3
<b>Liquidity Indicators</b>				
Debt/cash flow ratio (%)*10	23.22	4.01	16.09	19.47
Interest coverage ratio (Times)*11	5.9	(3.4)	5.4	9.3
<b>Corporate Value</b>				
Free cash flow*12	276.9	(176.4)	123.6	133.2
Market capitalization*13	2,356.3	1,815.5	1,007.6	1,519.4
<b>Other Data</b>				
Number of employees (Consolidated) (Thousands)	188	176	166	161
Number of employees (Non-Consolidated) (Thousands)	53	46	40	32
Ratios of Consolidated to Non-Consolidated Performance (Times) (Net sales)	1.6	1.6	1.6	1.8

\* U.S.GAAP was codified by the Financial Accounting Standards Board. Beginning with the fiscal year ended March 31, 2010, the codified standards are described in "Accounting Standards Codification (ASC)."

\* ¥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, 2006, equity in earnings (losses) of affiliates has been included in income (loss) from continuing operations, before income taxes and noncontrolling interests. Prior-period data for the fiscal years ended March 31, 2000 through 2005 has been reclassified to conform with the current classification.

\* The Mobile Broadcasting business ceased operation at the end of the fiscal year ended March 31, 2009. Prior-period data from the fiscal year ended March 31, 2008 has been reclassified to conform with the current classification.

\* Beginning with the fiscal year ended March 31, 2010, Toshiba Corporation adopted ASC No.810 "Consolidation." Prior-period data for the fiscal years up to March 31, 2009 has been reclassified to conform with the current classification.

\* On June 17, 2010, Toshiba Corporation and Fujitsu Limited ("Fujitsu") signed a Memorandum of Understanding to merge their mobile phone businesses, followed by a definitive contract on July 29, 2010. On October 1, 2010, Toshiba Corporation transferred its mobile phone business to a newly established company called Fujitsu Toshiba Mobile Communications Limited, and sold 80.1% of the shares of the new company to Fujitsu. The results of the mobile phone business are not incorporated into consolidated net sales, operating income (loss), or income (loss) from continuing operations, before income taxes and noncontrolling interests in the consolidated



(Billions of yen)

2005	2006	2007	2008	2009	2010	2011
¥5,647.2	¥6,061.9	¥6,859.7	¥7,404.3	¥6,512.7	¥6,291.2	¥6,398.5
4,149.3	4,450.4	5,115.3	5,548.7	5,242.5	4,852.0	4,897.5
1,346.1	1,394.0	1,497.2	1,615.2	1,503.6	1,314.0	1,260.7
151.8	217.5	247.2	240.4	(233.4)	125.2	240.3
112.0	159.7	315.9	258.1	(261.5)	34.4	195.5
54.8	82.6	152.5	110.5	61.6	33.5	40.7
46.0	78.2	137.4	127.4	(343.6)	(19.7)	137.8
372.5	436.8	639.2	676.0	119.6	367.1	486.6
2.7	3.6	3.6	3.2	(3.6)	2.0	3.8
0.8	1.3	2.0	1.7	(5.3)	(0.3)	2.2
73.5	73.4	74.6	74.9	80.5	77.1	76.5
23.8	23.0	21.8	21.8	23.1	20.9	19.7
4,571.4	4,727.1	5,932.0	5,935.6	5,453.2	5,451.2	5,379.3
815.5	1,002.2	1,108.3	1,022.3	447.3	797.4	868.1
1,111.4	917.5	1,158.5	1,261.0	1,810.7	1,218.3	1,081.3
683.4	611.4	956.2	740.7	776.8	960.9	769.5
428.0	306.1	202.3	520.3	1,033.9	257.4	311.8
17.8	21.2	18.7	17.2	8.2	14.6	16.1
1.4	0.9	1.0	1.2	4.0	1.5	1.2
323.0	345.2	365.3	370.3	357.5	311.8	319.7
316.8	337.3	373.8	464.5	355.5	209.4	231.0
213.7	227.4	258.8	339.4	306.9	252.5	215.7
7.3	10.5	10.6	9.2	(8.9)	5.1	10.4
5.9	8.6	13.0	12.0	(46.8)	(3.2)	16.6
1.0	1.7	2.6	2.1	(6.0)	(0.4)	2.5
8.83	9.22	9.36	8.96	8.09	8.10	7.71
1.25	1.30	1.29	1.25	1.14	1.15	1.18
41.33	39.59	39.01	40.74	45.11	45.08	47.35
305.5	501.4	561.5	247.1	(16.0)	451.4	374.1
(243.1)	(303.4)	(712.8)	(322.7)	(335.3)	(252.9)	(214.7)
(92.3)	(235.3)	154.8	46.6	478.5	(277.9)	(154.7)
5.6	13.2	34.9	(31.7)	(32.0)	3.0	(13.3)
(24.2)	(24.1)	38.4	(60.7)	95.2	(76.4)	(8.6)
295.0	270.9	309.3	248.6	343.8	267.4	258.8
24.87	32.77	41.46	41.96	0.40	18.44	34.57
7.5	9.4	8.5	6.7	(6.4)	3.7	7.7
62.4	198.0	(151.3)	(75.6)	(351.3)	198.5	159.4
1,442.1	2,201.8	2,533.4	2,155.9	822.4	2,046.8	1,724.7
165	172	191	198	199	204	203
31	32	32	33	34	35	35
2.0	1.9	1.9	2.0	2.0	1.9	1.8

results. Prior-period data relating to the discontinued operations has been reclassified in accordance with ASC No.205-20, "Presentation of Financial Statements - Discontinued Operations."

\*1 EBITDA = Income (loss) from continuing operations, before income taxes and noncontrolling interests + Interest + Depreciation

\*2 Shareholders' equity ratio (%) = Equity attributable to shareholders of Toshiba Corporation / Total assets × 100

\*3 Debt / equity ratio (Times) = Interest-bearing debt / Equity attributable to shareholders of Toshiba Corporation

\*4 Return on investment (ROI) (%) = Operating income (loss) / (Average equity attributable to shareholders of Toshiba Corporation + Average equity attributable to noncontrolling interests + Average interest-bearing debt) × 100

\*5 Return on equity (ROE) (%) = Net income (loss) attributable to shareholders of Toshiba Corporation / Average equity attributable to shareholders of Toshiba Corporation × 100

\*6 Return on total assets (ROA) (%) = Net income (loss) attributable to shareholders of Toshiba Corporation / Average total assets × 100

\*7 Inventory turnover (Times) = Net sales / Average inventory

\*8 Total assets turnover (Times) = Net sales / Average total assets

\*9 Inventory turnover (Days) = 365 / Inventory turnover

\*10 Debt / cash flow ratio (%) = (Net income (loss) attributable to shareholders of Toshiba Corporation + Depreciation and amortization) / Average interest-bearing debt × 100

\*11 Interest coverage ratio (Times) = (Operating income (loss) + Interest and dividends) / Interest expense

\*12 Free cash flow = Net cash provided by operating activities + Net cash used in investing activities

\*13 Market capitalization = Common stock price [Year-end / Yen / Close] × Total issued shares

# Consolidated Balance Sheets

(Millions of yen)

March 31	2007	2008	2009	2010	2011
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	¥ 309,312	¥ 248,649	¥ 343,793	¥ 267,449	¥ 258,840
Notes and accounts receivable, trade					
Notes	106,395	80,312	64,260	44,122	47,311
Accounts	1,295,808	1,253,108	1,038,396	1,160,389	1,093,948
Allowance for doubtful notes and accounts	(30,599)	(21,417)	(19,270)	(20,112)	(17,079)
Inventories	801,513	851,452	758,305	795,601	864,382
Deferred tax assets	138,714	148,531	141,008	134,950	161,197
Prepaid expenses and other current assets	370,064	368,747	394,139	379,207	391,069
	2,991,207	2,929,382	2,720,631	2,761,606	2,799,668
<b>Long-term Receivables and Investments:</b>					
Long-term receivables	19,329	7,423	3,987	3,337	2,540
Investments in and advances to affiliates	240,249	321,166	340,756	366,250	416,431
Marketable securities and other investments	250,536	264,149	190,110	253,267	241,409
	510,114	592,738	534,853	622,854	660,380
<b>Property, Plant and Equipment:</b>					
Land	156,445	128,210	98,116	105,663	99,834
Buildings	1,146,350	1,160,549	996,709	1,016,520	996,409
Machinery and equipment	2,594,284	2,598,042	2,698,626	2,508,934	2,330,565
Construction in progress	104,612	215,937	114,617	97,309	113,132
	4,001,691	4,102,738	3,908,068	3,728,426	3,539,940
Less—Accumulated depreciation	(2,681,489)	(2,770,560)	(2,818,489)	(2,749,700)	(2,639,735)
	1,320,202	1,332,178	1,089,579	978,726	900,205
<b>Other Assets:</b>					
Deferred tax assets	211,336	285,757	352,948	355,687	356,592
Other	899,103	795,582	755,214	732,300	662,474
	1,110,439	1,081,339	1,108,162	1,087,987	1,019,066
	¥5,931,962	¥5,935,637	¥5,453,225	¥5,451,173	¥5,379,319

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

(Millions of yen)

March 31	2007	2008	2009	2010	2011
<b>LIABILITIES AND EQUITY</b>					
<b>Current Liabilities:</b>					
Short-term borrowings	¥ 71,626	¥ 257,831	¥ 747,971	¥ 51,347	¥ 152,348
Current portion of long-term debt	130,703	262,422	285,913	206,017	159,414
Notes and accounts payable, trade	1,365,231	1,224,259	1,003,864	1,191,885	1,194,229
Accounts payable, other and accrued expenses	508,888	516,046	366,219	375,902	380,360
Accrued income and other taxes	77,625	89,763	38,418	42,384	38,197
Advance payments received	229,635	248,280	268,083	317,044	271,066
Other current liabilities	427,583	387,386	357,305	303,866	302,695
	2,811,291	2,985,987	3,067,773	2,488,445	2,498,309
<b>Long-Term Liabilities:</b>					
Long-term debt	956,156	740,710	776,768	960,938	769,544
Accrued pension and severance costs	540,216	634,589	719,396	725,620	734,309
Other liabilities	191,263	182,175	130,007	148,548	197,541
	1,687,635	1,557,474	1,626,171	1,835,106	1,701,394
<b>Equity attributable to shareholders of Toshiba Corporation</b>					
Common stock	274,926	280,126	280,281	439,901	439,901
Additional paid-in capital	285,765	290,936	291,137	447,733	399,552
Retained earnings	681,795	774,461	395,134	375,376	551,523
Accumulated other comprehensive loss	(131,228)	(322,214)	(517,996)	(464,250)	(521,396)
Treasury stock, at cost	(2,937)	(1,044)	(1,210)	(1,305)	(1,461)
	1,108,321	1,022,265	447,346	797,455	868,119
<b>Equity attributable to noncontrolling interests</b>	<b>324,715</b>	<b>369,911</b>	<b>311,935</b>	<b>330,167</b>	<b>311,497</b>
<b>Commitments and contingent liabilities</b>					
	¥5,931,962	¥5,935,637	¥5,453,225	¥5,451,173	¥5,379,319

(Millions of yen)

March 31	2007	2008	2009	2010	2011
<b>Accumulated Other Comprehensive Loss:</b>					
Unrealized gains on securities	¥ 80,801	¥ 53,461	¥ 21,639	¥ 73,226	¥ 62,455
Foreign currency translation adjustments	(21,938)	(117,552)	(222,773)	(231,467)	(275,108)
Pension liability adjustment	(190,118)	(256,839)	(314,578)	(303,348)	(308,681)
Unrealized gains (losses) on derivative instruments	27	(1,284)	(2,284)	(2,661)	(62)

# Consolidated Statements of Operations

(Millions of yen)

Year ended March 31	2007	2008	2009	2010	2011
<b>Sales and Other Income:</b>					
Net sales	¥6,859,729	¥7,404,284	¥6,512,656	¥6,291,208	<b>¥6,398,505</b>
Interest and dividends	24,162	26,482	19,305	7,965	<b>8,704</b>
Equity in earnings of affiliates	39,300	28,023	9,596	22,385	<b>18,478</b>
Other income	154,873	212,621	146,778	62,793	<b>67,811</b>
	7,078,064	7,671,410	6,688,335	6,384,351	<b>6,493,498</b>
<b>Costs and Expenses:</b>					
Cost of sales	5,115,315	5,548,757	5,242,465	4,852,002	<b>4,897,547</b>
Selling, general and administrative	1,497,204	1,615,171	1,503,599	1,313,958	<b>1,260,685</b>
Interest	31,917	39,778	33,646	35,650	<b>32,331</b>
Other expense	117,758	209,648	170,092	148,328	<b>107,386</b>
	6,762,194	7,413,354	6,949,802	6,349,938	<b>6,297,949</b>
<b>Income (loss) from continuing operations, before income taxes and noncontrolling interests</b>	<b>315,870</b>	<b>258,056</b>	<b>(261,467)</b>	<b>34,413</b>	<b>195,549</b>
<b>Income Taxes:</b>					
Current	88,911	102,740	52,308	52,108	<b>57,517</b>
Deferred	63,530	7,789	9,254	(18,574)	<b>(16,797)</b>
<b>Income (loss) from continuing operations, before noncontrolling interests</b>	<b>163,429</b>	<b>147,527</b>	<b>(263,029)</b>	<b>879</b>	<b>154,829</b>
<b>Loss from discontinued operations, before noncontrolling interests</b>	<b>(10,324)</b>	<b>(5,349)</b>	<b>(24,325)</b>	<b>(6,172)</b>	<b>(8,183)</b>
<b>Net income (loss) before noncontrolling interests</b>	<b>153,105</b>	<b>142,178</b>	<b>(347,354)</b>	<b>(5,293)</b>	<b>146,646</b>
<b>Less: Net income (loss) attributable to noncontrolling interests</b>	<b>15,676</b>	<b>14,765</b>	<b>(3,795)</b>	<b>14,450</b>	<b>8,801</b>
<b>Net income (loss) attributable to shareholders of Toshiba Corporation</b>	<b>¥ 137,429</b>	<b>¥ 127,413</b>	<b>¥ (343,559)</b>	<b>¥ (19,743)</b>	<b>¥ 137,845</b>

## Quarterly Performance Highlights

(Millions of yen)

Year ended March 31	1st quarter		2nd quarter		3rd quarter		4th quarter	
	2010	2011	2010	2011	2010	2011	2010	2011
Net sales	¥1,313,718	<b>¥1,451,366</b>	¥1,582,975	<b>¥1,629,775</b>	¥1,563,279	<b>¥1,588,474</b>	¥1,831,236	<b>¥1,728,890</b>
Operating income (loss)	(34,354)	<b>33,791</b>	36,463	<b>71,022</b>	14,494	<b>37,457</b>	108,645	<b>98,003</b>
Net income (loss) attributable to shareholders of Toshiba Corporation	(57,800)	<b>466</b>	94	<b>27,350</b>	(10,634)	<b>12,371</b>	48,597	<b>97,658</b>
Basic earnings (loss) per share attributable to shareholders of Toshiba Corporation (¥)	(16.58)	<b>0.11</b>	0.02	<b>6.46</b>	(2.51)	<b>2.92</b>	11.47	<b>23.06</b>

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# Consolidated Statements of Cash Flows

TOSHIBA Annual Report 2011

(Millions of yen)

Year ended March 31	2007	2008	2009	2010	2011
<b>Cash Flows from Operating Activities:</b>					
Net income (loss) before noncontrolling interests	¥153,105	¥142,178	¥(347,354)	¥ (5,293)	<b>¥146,646</b>
Adjustments to reconcile net income (loss) before noncontrolling interests to net cash provided by (used in) operating activities					
Depreciation and amortization	292,875	380,160	349,764	298,998	<b>259,604</b>
Provisions for pension and severance costs, less payments	(22,720)	(19,035)	(13,733)	10,985	<b>8,611</b>
Deferred income taxes	56,444	10,635	(7,843)	(22,809)	<b>(22,771)</b>
Equity in (earnings) losses of affiliates, net of dividends	(12,579)	(13,340)	1,215	(11,566)	<b>(6,406)</b>
(Gain) loss from sales, disposal and impairment of property, plant and equipment, intangible assets and securities, net	(79,416)	(146,369)	(34,587)	32,236	<b>3,870</b>
(Increase) decrease in notes and accounts receivable, trade	(51,620)	29,138	186,676	(98,347)	<b>96</b>
(Increase) decrease in inventories	(82,926)	(64,688)	60,517	(35,554)	<b>(100,945)</b>
Increase (decrease) in notes and accounts payable, trade	220,619	(115,047)	(182,501)	176,443	<b>59,176</b>
Increase (decrease) in accrued income and other taxes	23,353	18,283	(51,647)	3,899	<b>(3,204)</b>
Increase (decrease) in advance payments received	29,459	47,617	27,018	58,592	<b>(22,363)</b>
Other	34,880	(22,404)	(3,536)	43,861	<b>51,770</b>
Net cash provided by (used in) operating activities	561,474	247,128	(16,011)	451,445	<b>374,084</b>
<b>Cash Flows from Investing Activities:</b>					
Proceeds from sale of property, plant and equipment	112,015	212,064	210,653	36,119	<b>56,055</b>
Proceeds from sale of securities	9,586	2,805	4,035	6,931	<b>5,427</b>
Acquisition of property, plant and equipment	(376,707)	(407,692)	(477,720)	(215,876)	<b>(229,229)</b>
Purchase of securities	(13,508)	(82,898)	(29,609)	(14,316)	<b>(6,201)</b>
(Increase) decrease in investments in affiliates	51,044	(41,367)	(43,399)	8,288	<b>(38,424)</b>
Other	(495,212)*1	(5,614)	732	(74,068)	<b>(2,328)</b>
Net cash used in investing activities	(712,782)	(322,702)	(335,308)	(252,922)	<b>(214,700)</b>
<b>Cash Flows from Financing Activities:</b>					
Proceeds from long-term debt	467,717	190,524	337,415	397,181	<b>159,807</b>
Repayment of long-term debt	(199,570)	(283,013)	(275,976)	(303,748)	<b>(406,846)</b>
Increase (decrease) in short-term borrowings, net	(81,305)	187,321	469,026	(680,346)	<b>109,895</b>
Dividends paid	(30,431)	(46,406)	(50,350)	(5,728)	<b>(17,601)</b>
Purchase of treasury stock, net	(841)	(1,138)	(345)	(109)	<b>(159)</b>
Other	(774)	(715)	(1,318)	314,889*2	<b>188</b>
Net cash provided by (used in) financing activities	154,796	46,573	478,452	(277,861)	<b>(154,716)</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>34,903</b>	<b>(31,662)</b>	<b>(31,989)</b>	<b>2,994</b>	<b>(13,277)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>38,391</b>	<b>(60,663)</b>	<b>95,144</b>	<b>(76,344)</b>	<b>(8,609)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>270,921</b>	<b>309,312</b>	<b>248,649</b>	<b>343,793</b>	<b>267,449</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>¥309,312</b>	<b>¥248,649</b>	<b>¥343,793</b>	<b>¥267,449</b>	<b>¥258,840</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>					
Cash paid during the year for—					
Interest	¥ 30,892	¥ 40,356	¥ 35,004	¥ 31,036	<b>¥ 33,478</b>
Income taxes	¥ 59,272	¥107,431	¥140,923	¥ 4,487	<b>¥ 61,342</b>

\*1: Includes the acquisition of Westinghouse Group in the amount of ¥461,338 million.

\*2: Includes the proceeds from stock offering of ¥317,541 million.

# Industry Segment Performance

(Billions of yen)

Year ended March 31	2007 Change (%)		2008 Change (%)		2009 Change (%)		2010 Change (%)		2011 Change (%)	
<b>Digital Products</b>										
Net sales	¥2,536.1	12.5	¥2,674.2	5.4	¥2,311.4	(13.6)	¥2,263.2	(2.1)	<b>¥2,328.6</b>	<b>(2.9)</b>
Share of net sales (%)	34.2	—	33.4	—	32.8	—	33.4	—	<b>33.8</b>	—
Operating income	4.6	—	8.8	90.0	2.4	(73.1)	21.3	798.9	<b>13.2</b>	<b>(38.1)</b>
Operating income ratio (%)	0.2	—	0.3	—	0.1	—	0.9	—	<b>0.6</b>	—
Number of employees (Thousands)	46	2.2	49	6.5	48	(2.0)	54	12.6	<b>52</b>	<b>(4.1)</b>
R&D expenditures	89.8	10.7	95.3	6.1	81.4	(14.5)	69.3	(14.9)	<b>72.2</b>	<b>4.2</b>
Depreciation	41.0	35.2	36.4	(11.1)	31.0	(15.0)	34.3	10.8	<b>31.0</b>	<b>(9.6)</b>
Capital expenditures	39.0	(8.6)	36.9	(5.5)	37.5	1.8	21.1	(43.9)	<b>26.6</b>	<b>26.3</b>
Total assets	1,134.9	13.8	1,183.3	4.3	912.1	(22.9)	1,085.3	19.0	<b>1,010.7</b>	<b>(6.9)</b>
<b>Electronic Devices</b>										
Net sales	1,601.7	20.6	1,679.0	4.8	1,276.4	(24.0)	1,270.0	(0.5)	<b>1,347.7</b>	<b>6.1</b>
Share of net sales (%)	21.6	—	21.0	—	18.1	—	18.7	—	<b>19.5</b>	—
Operating income (loss)	121.9	(3.3)	74.0	(39.3)	(320.0)	—	(20.4)	—	<b>86.8</b>	—
Operating income ratio (%)	7.6	—	4.4	—	(25.1)	—	(1.6)	—	<b>6.4</b>	—
Number of employees (Thousands)	35	6.1	35	0.0	35	0.0	32	(9.1)	<b>29</b>	<b>(11.0)</b>
R&D expenditures	174.2	(0.2)	166.2	(4.6)	168.8	1.6	144.2	(14.6)	<b>135.7</b>	<b>(5.9)</b>
Depreciation	164.7	14.0	227.2	37.9	206.3	(9.2)	167.9	(18.6)	<b>134.6</b>	<b>(19.8)</b>
Capital expenditures	269.7	12.6	367.4	36.2	266.9	(27.3)	108.6	(59.3)	<b>113.1</b>	<b>4.1</b>
Total assets	1,410.1	10.6	1,496.7	6.1	1,394.3	(6.8)	1,286.5	(7.7)	<b>1,251.9</b>	<b>(2.7)</b>
<b>Social Infrastructure</b>										
Net sales	2,079.0	10.3	2,431.9	17.0	2,405.3	(1.1)	2,319.0	(3.6)	<b>2,267.7</b>	<b>(2.2)</b>
Share of net sales (%)	28.1	—	30.4	—	34.1	—	34.2	—	<b>32.9</b>	—
Operating income	96.2	35.6	130.5	35.6	113.9	(12.7)	137.2	20.5	<b>137.1</b>	<b>(0.1)</b>
Operating income ratio (%)	4.6	—	5.4	—	4.7	—	5.9	—	<b>6.0</b>	—
Number of employees (Thousands)	67	17.5	70	4.5	74	5.7	78	5.4	<b>81</b>	<b>3.6</b>
R&D expenditures	82.2	16.0	88.3	7.4	88.7	0.4	84.8	(4.4)	<b>95.9</b>	<b>13.1</b>
Depreciation	42.0	18.5	60.2	43.3	63.3	5.1	67.4	6.6	<b>68.6</b>	<b>1.7</b>
Capital expenditures	58.8	33.4	67.7	15.2	105.8	56.3	99.8	(5.7)	<b>94.4</b>	<b>(5.4)</b>
Total assets	2,396.3	51.1	2,347.8	(2.0)	2,436.4	3.8	2,458.8	0.9	<b>2,537.3</b>	<b>3.2</b>
<b>Home Appliances</b>										
Net sales	748.9	8.9	774.3	3.4	674.3	(12.9)	579.8	(14.0)	<b>599.8</b>	<b>3.4</b>
Share of net sales (%)	10.1	—	9.7	—	9.6	—	8.6	—	<b>8.7</b>	—
Operating income (loss)	9.7	257.0	3.9	(59.6)	(27.1)	—	(5.4)	—	<b>8.8</b>	—
Operating income ratio (%)	1.3	—	0.5	—	(4.0)	—	(0.9)	—	<b>1.5</b>	—
Number of employees (Thousands)	27	8.0	28	3.7	27	(3.6)	24	(12.4)	<b>23</b>	<b>(4.9)</b>
R&D expenditures	18.7	5.5	19.2	2.7	18.2	(5.4)	13.2	(27.4)	<b>13.9</b>	<b>5.4</b>
Depreciation	18.3	9.9	22.7	24.1	28.7	26.5	19.5	(32.3)	<b>16.8</b>	<b>(13.5)</b>
Capital expenditures	24.7	(9.8)	20.0	(19.1)	18.5	(7.6)	17.5	(5.3)	<b>13.9</b>	<b>(20.5)</b>
Total assets	438.8	9.5	439.0	0.0	385.2	(12.2)	362.2	(6.0)	<b>341.1</b>	<b>(5.8)</b>
<b>Others</b>										
Net sales	446.2	1.5	439.9	(1.4)	384.3	(12.6)	345.6	(10.1)	<b>352.9</b>	<b>2.1</b>
Share of net sales (%)	6.0	—	5.5	—	5.4	—	5.1	—	<b>5.1</b>	—
Operating income (loss)	17.8	(21.8)	22.6	27.0	(3.6)	—	(7.7)	—	<b>(7.6)</b>	—
Operating income ratio (%)	4.0	—	5.1	—	(0.9)	—	(2.2)	—	<b>(2.2)</b>	—
Number of employees (Thousands)	16	33.3	16	0.0	15	(6.3)	16	6.3	<b>19</b>	<b>17.0</b>
R&D expenditures	0.4	(66.1)	1.3	270.1	0.4	(70.2)	0.3	(22.5)	<b>2.0</b>	<b>586.2</b>
Depreciation	25.4	(1.0)	31.6	24.5	18.2	(42.4)	7.9	(56.4)	<b>7.8</b>	<b>(1.7)</b>
Capital expenditures	16.1	108.5	9.4	(41.5)	22.2	135.0	8.9	(59.9)	<b>8.1</b>	<b>(9.3)</b>
Total assets	615.5	6.5	532.7	(13.4)	399.0	(25.1)	377.8	(5.3)	<b>343.1</b>	<b>(9.2)</b>

March 31	(Millions of yen)	
	2010	2011
Loans, principally from banks and insurance companies, due 2010 to 2029 with weighted-average interest rate of 1.34% at March 31, 2010 and due 2011 to 2029 with weighted-average interest rate of 1.52% at March 31, 2011	Secured ¥ — Unsecured ¥ 595,581	Secured ¥ — Unsecured ¥ 293,885
Unsecured yen bonds, due 2010 to 2016 with interest ranging from 1.05% to 2.20% at March 31, 2010 and due 2013 to 2020 with interest ranging from 0.89% to 2.20% at March 31, 2011	240,000	310,000
Interest deferrable and early redeemable subordinated bonds: Due 2069 with interest rate of 7.50% at March 31, 2011	180,000	180,000
Zero coupon convertible bonds with stock acquisition rights: Due 2011 convertible at ¥542 per share at March 31, 2011	95,010	95,010
Euro yen medium-term notes of subsidiaries, due 2011 to 2014 with interest ranging from 1.31% to 1.67% at March 31, 2010 and due 2011 with interest rate of 1.31% at March 31, 2011	992	502
Capital lease obligations	55,372	49,561
	1,166,955	928,958
Less—Portion due within one year	(206,017)	(159,414)
	¥ 960,938	¥ 769,544

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

Year ending March 31	(Millions of yen)	
	2010	2011
2011	¥ 190,085	¥ —
2012	207,255	137,941
2013	182,072	182,229
2014	226,826	178,884
2015	34,498	34,000
2016 and thereafter	270,847	—
2016	—	81,004
2017 and thereafter	—	265,339
Total	¥1,111,583	¥879,397

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

# Stock/Shareholder Information

## Common Stock Price Trends

Year ended March 31	2007	2008	2009	2010	2011
Common stock price (Yen, fiscal year)					
High	842	1,185	953	572	556
Low	652	649	204	258	309
Nikkei average (Yen)	17,287.65	12,525.54	8,109.53	11,089.94	9,755.10
Number of shares issued (Millions of shares)	3,219	3,237	3,238	4,238	4,238
Market capitalization (Billions of yen)	2,533.4	2,155.9	822.4	2,046.8	1,724.7
Earnings per share attributable to shareholders of Toshiba Corporation (Yen)					
—Basic (EPS)	42.76	39.46	(106.18)	(4.93)	32.55
—Diluted (EPS)	39.45	36.59	(106.18)	(4.93)	31.25
Annual dividends per share (Yen)	11	12	5	0	5
Payout ratio (%) (Consolidated)	25.7	30.4	—	—	15.4
Number of shareholders	411,723	375,115	462,649	473,230	459,114
Price-to-earnings ratio (PER) (Times)	18.41	16.88	—	—	12.51
Price-to-cash flows ratio (PCFR) (Times)	5.9	4.2	132.5	6.9	4.3
Price-to-book value ratio (PBR) (Times)	2.3	2.1	1.8	2.6	2.0

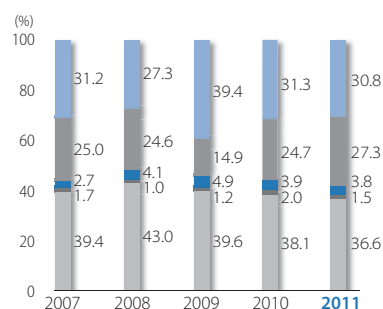
Note: Common stock price is based on the Tokyo Stock Exchange, Inc. market quotation.

## Distribution of Shareholders

(Percentage of total voting rights)

March 31	2007	2008	2009	2010*	2011*
■ Individuals and others in Japan	31.2%	27.3%	39.4%	31.3%	30.8%
■ Overseas investors	25.0	24.6	14.9	24.7	27.3
■ Companies in Japan	2.7	4.1	4.9	3.9	3.8
■ Securities companies in Japan	1.7	1.0	1.2	2.0	1.5
■ Financial institutions in Japan	39.4	43.0	39.6	38.1	36.6

\* March 2010 and 2011 apply percentage of shareholding ratio by shareholder.



## Major Shareholders

(As of March 31, 2011)

	Percentage of shareholding ratio (Rounded to one decimal place)
The Master Trust Bank of Japan, Limited (trust accounts)	5.7%
Japan Trustee Service Bank, Limited (trust accounts)	5.2
The Dai-ichi Life Insurance Company, Limited	2.7
Nippon Life Insurance Company	2.6
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	2.0
Toshiba Stock Purchase Plan	1.9
Japan Trustee Services Bank, Limited (trust accounts 9)	1.7
Japan Trustee Services Bank, Limited (trust accounts 4)	1.5
NIPPONKOA Insurance Company, Limited	1.2
Sumitomo Mitsui Banking Corporation	1.2



**TOSHIBA CORPORATION**

As of March 31, 2011

Headquarters:	1-1, Shibaura 1-chome, Minato-ku, Tokyo, Japan
Founded:	July 1875
Number of Employees:	Approx. 203,000 (consolidated)
Fiscal Year:	April 1 to March 31
Authorized Number of Shares:	10 billion
Number of Shares Issued:	4,237,602,026
Number of Shareholders:	459,114
Stock Exchange Listings:	Tokyo, Osaka, Nagoya, London
ISIN:	JP359 2200004
Ticker Code on the Tokyo Stock Exchange:	6502
Shareholder Registration Agent:	The Chuo Mitsui Trust and Banking Company, Limited
For further information, please contact:	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: ir@toshiba.co.jp <a href="http://www.toshiba.co.jp/about/ir/index.htm">http://www.toshiba.co.jp/about/ir/index.htm</a>

**IR WEBSITE**

<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 mega-competition 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.

- **Regarding items reported in this Annual Report**

Any corrections made to this Annual Report will be published on our website, as referenced above.

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

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

## **TOSHIBA CORPORATION**

1-1, Shibaura 1-chome, Minato-ku, Tokyo,  
105-8001, Japan

### **Contacts:**

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**Investor Relations Group**  
**Corporate Communications Office**  
Tel: +81-3-3457-2096 Fax: +81-3-5444-9202

**Inquiry page on Investor Relations**  
URL <http://www.toshiba.co.jp/about/ir/en/contact.htm>

### **Printing**

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#### **Waterless Printing**

Waterless printing, a printing process that eliminates the use of water, is adopted, taking advantage of the characteristics of printing plates made of ink-shedding material.



#### **Non-VOC Ink**

100% vegetable ink containing no volatile organic compounds (VOCs) is used.