

FOR IMMEDIATE RELEASE

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**Toshiba to Reform Visual Products Business to Secure Consistent Profit**

TOKYO—Toshiba Corporation (TOKYO: 6502) and its wholly owned subsidiary, Toshiba Lifestyle Products & Services Corporation, today announced further structural reforms of Toshiba Group's visual products business. Building on earlier restructuring of the business, which includes LCD TVs, and in response to a still harsh business environment, Toshiba will now implement further measures that will support the business in securing consistent profit.

In FY2013, Toshiba cut fixed cost in the visual products business by approximately 10 billion yen. It halved the employee headcount and integrated overseas TV manufacturing operations by selling a plant in Poland, closing one in China, and centering in-house production on a facility in Indonesia. Productivity was further improved by increasing products for the global market sourced from original design manufacturers (ODMs) from about 40% to 70%, while moves to raise profitability included widening the product mix, ceasing sales in unprofitable markets, including Oceania and Latin America, and reducing surplus inventory and logistic costs at the global level. The visual products business was also integrated with Toshiba Home Appliances Corporation, a consolidated subsidiary handling white goods, in Toshiba Lifestyle Products & Services Corporation, a move intended to improve use of resources and promote synergies.

Last year's measures have won improvements and taken the business toward profitability. The latest round will concentrate resources on growth markets, as a means to secure stable profit at a higher level. The business will now focus on Japan, where growth in demand for large size Ultra HD (4K) LCD TVs is anticipated, and on high growth emerging markets. Sales sites in low profit countries and regions will be optimized, from 24 to 12 sites around the world, by the first half of FY2015. This move will also reduce the visual products business's global workforce by about 25%, excluding the manufacturing operation which has already reduced its headcount, and is expected to cut fixed costs by a further 10 billion yen

against the FY2014 level.

Toshiba will continue to refine the best structure for its lifestyle products businesses, and also develop new products and services.

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### **About Toshiba**

Toshiba Corporation, a Fortune Global 500 company, channels world-class capabilities in advanced electronic and electrical product and systems into five strategic business domains: Energy & Infrastructure, Community Solutions, Healthcare Systems & Services, Electronic Devices & Components, and Lifestyles Products & Services. Guided by the principles of The Basic Commitment of the Toshiba Group, “Committed to People, Committed to the Future”, Toshiba promotes global operations towards securing “Growth Through Creativity and Innovation”, and is contributing to the achievement of a world in which people everywhere live safe, secure and fulfilled lives.

Founded in Tokyo in 1875, today’s Toshiba is at the heart of a global network of over 590 consolidated companies employing over 200,000 people worldwide, with annual sales surpassing 6.5 trillion yen (US\$63 billion).

To find out more about Toshiba, visit [www.toshiba.co.jp/index.htm](http://www.toshiba.co.jp/index.htm)