

**The Acquisition of Westinghouse
and
the Future Development of
the Nuclear Energy Business**

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President and CEO

October 17th, 2006

Forward-looking Statement

- This report of business results contains forward-looking statements concerning future plans, strategies and the performance of Toshiba Group.
- These statements are based on management's assumptions and beliefs in light of the economic, financial and other data currently available.
- Furthermore, they are subject to a number of risks and uncertainties. Toshiba therefore wishes to caution readers that actual results may differ materially from our expectations.
Major risk factors that may have a material influence on results are indicated below, though this list is not necessarily exhaustive.
Disputes including lawsuits in Japan and other countries; changes in political and economic conditions in Japan and abroad; unexpected regulatory changes; rapid changes in the supply and demand situations in major markets and intensified price competition.

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- **About the Acquisition**
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- **Post Acquisition Development of Nuclear Energy Business**

Process for Completion of Acquisition

| Feb. | Mar. | Apr. | May | June | July | Aug. | Sep. | Oct. | 2006

Purchase and Sale Agreement signed

2/6



Approval 6/1



NRC**



Approval 9/15



Clearance of review

U.S.A. 9/28

EU 9/19



Anti-trust review



Clearance of regulatory review

9/28



Completion of stock acquisition

10/16

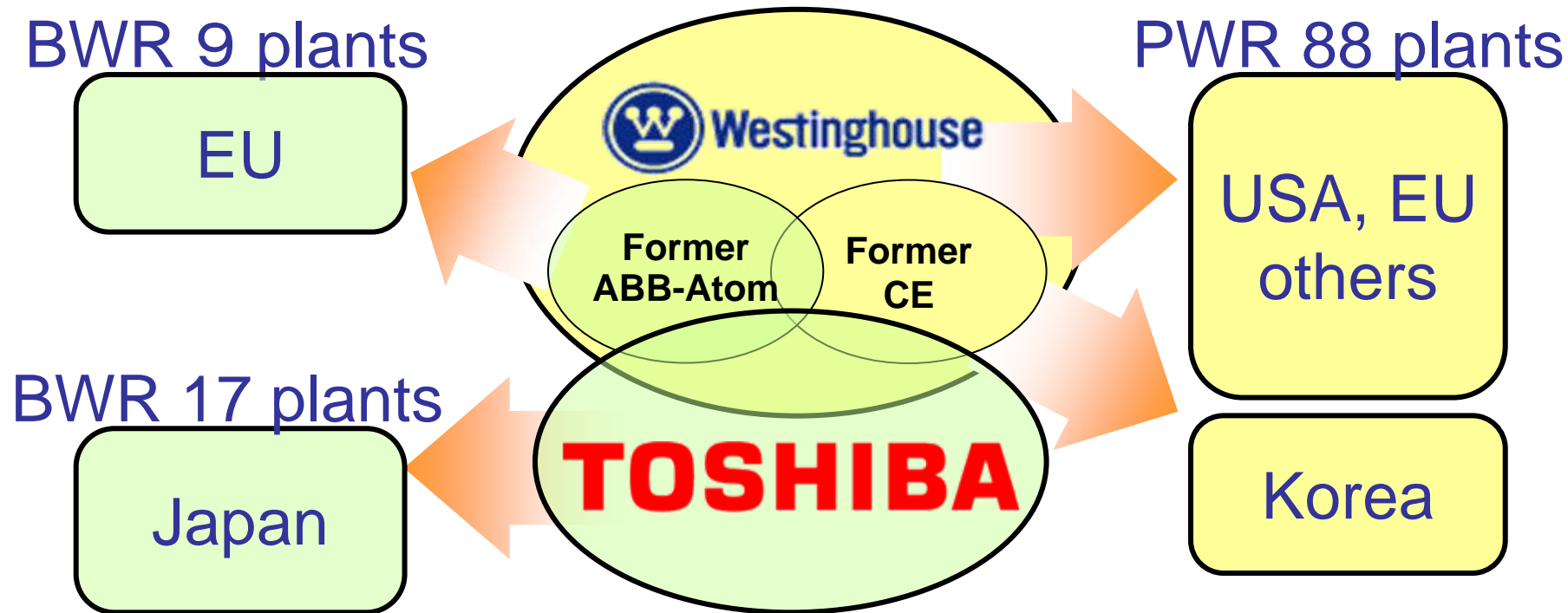
* CFIUS: Committee on Foreign Investment in the United States

** NRC: Nuclear Regulatory Commission

Dates above are for the US, except the EU date.

The stock acquisition was completed at 01:00am, JST, on 10/17.

Purpose of Stock Acquisition (1)



Enhance Global Business:
Largest Installed Base of Nuclear Power Plants

Purpose of Stock Acquisition (2)

**Expand Construction in US & Asia;
Stable Growth in Fuel & Services; Overseas Bases**

TOSHIBA



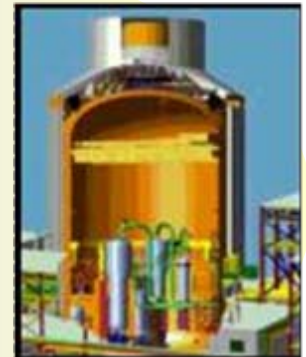
ABWR

BWR Business

Construction of ABWR
Maintenance & Services
Fuel Supply

Mainly PWR Business

Construction of AP1000
Maintenance & Service
Fuel Manufacturing

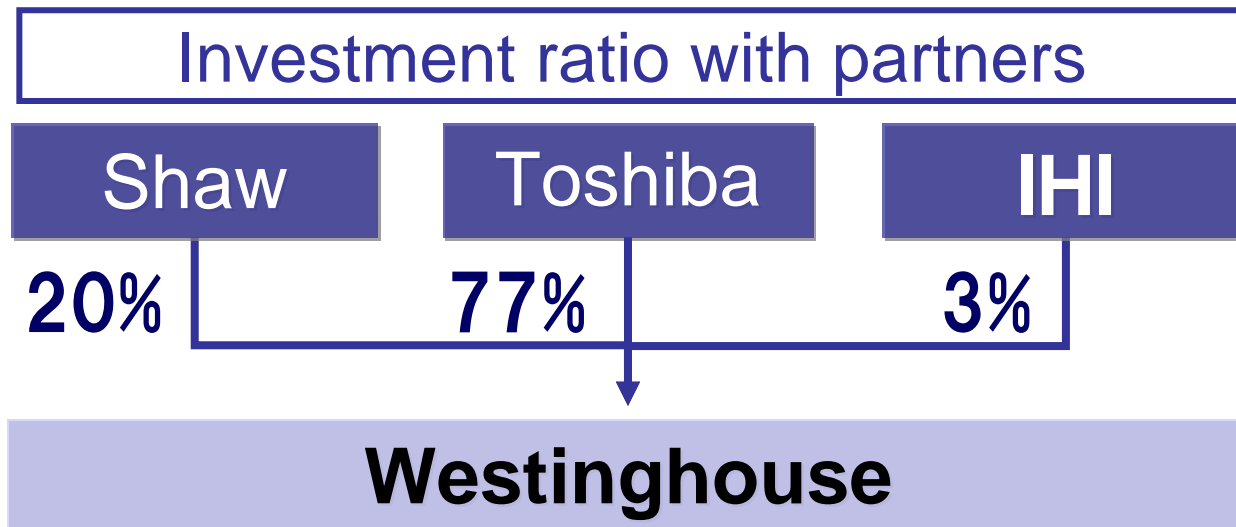


AP1000

The Global Leader, Promoting both BWR and PWR Technologies

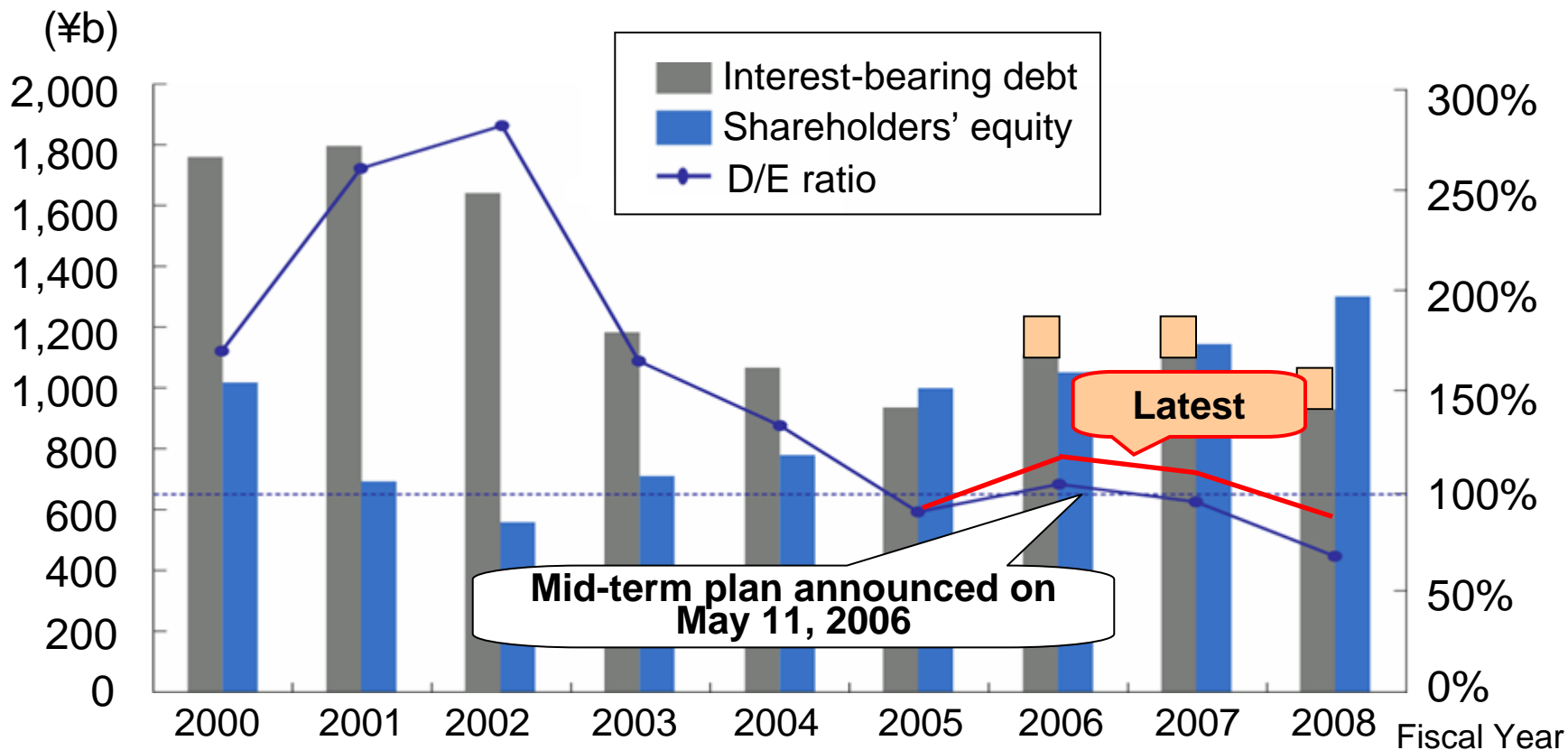
Partnership

- Purchase price \$5.4b (Toshiba \$4.2b)
- Toshiba owns majority ownership
- Shaw, IHI participate as Strategic Partners*



* Other partners may participate in future

Financial Trend

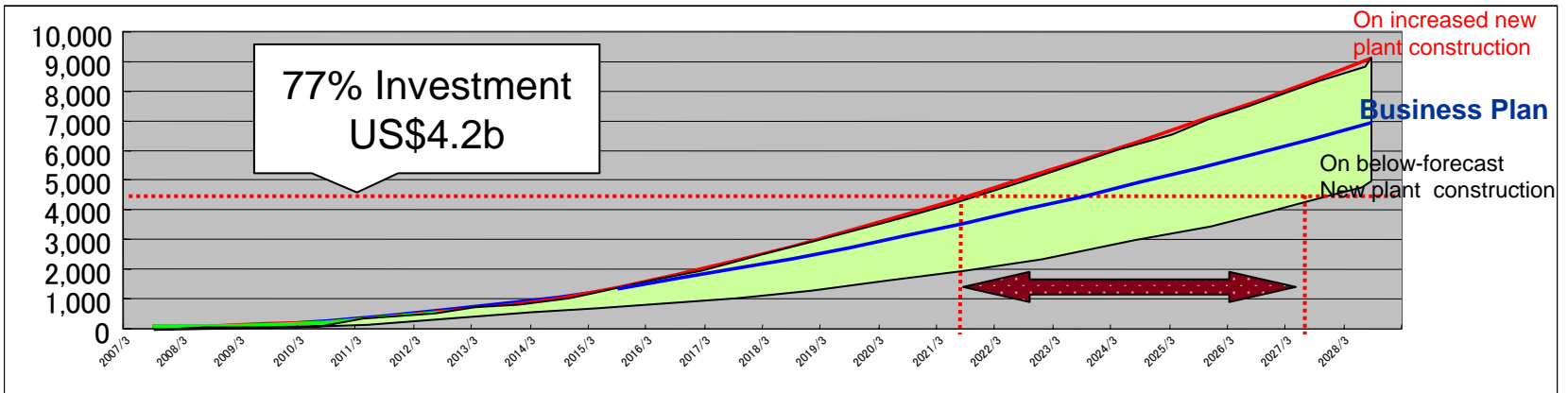
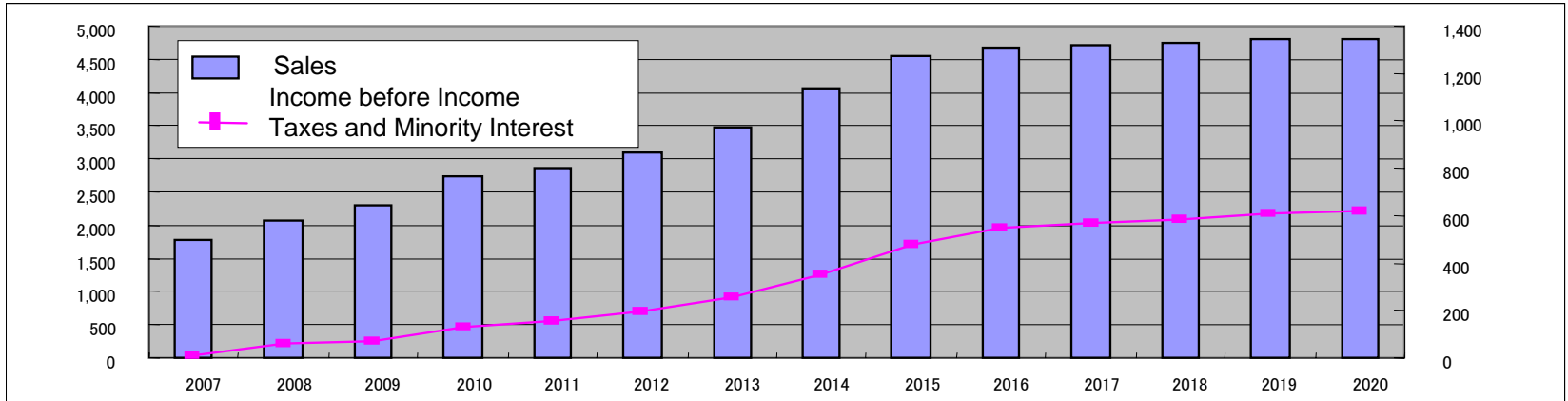


Debt Financing by Loan Completed
 D/E Ratio Marginally above 110%
 Expected at End of FY2006

Debt Repayment Period

Sales and Operating Income Projection, excluding Toshiba's Existing Debt

(\$m)



17-year Repayment Period

Partners

The Shaw Group Inc.

- US plant design and engineering co.
- Nuclear plant design, construction, engineering and supply of modular pipe

Annual Sales (consolidated): over \$4b (as of August 2006)

Employees (consolidated): 22,000 (as of August 2006)



Ishikawajima-Harima Heavy Industries Co., Ltd. (IHI)

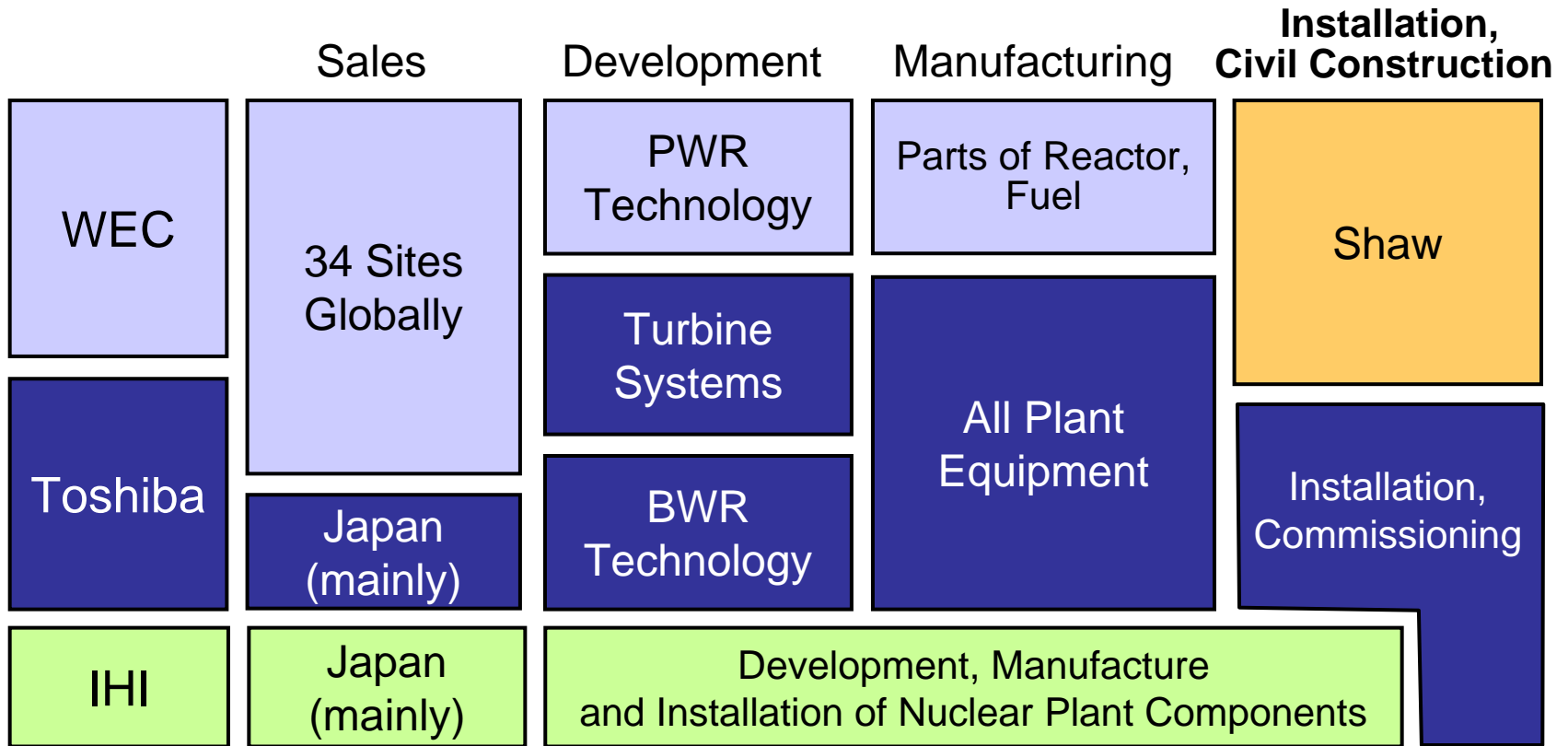
- Japanese heavy machinery supplier
- Nuclear components manufacture, etc.

Annual Sales (consolidated): ¥1,127b (as of March 2006)

Employees (consolidated): approx. 23,000 (as of March 2006)



Business Scope of Toshiba, WEC and Partners

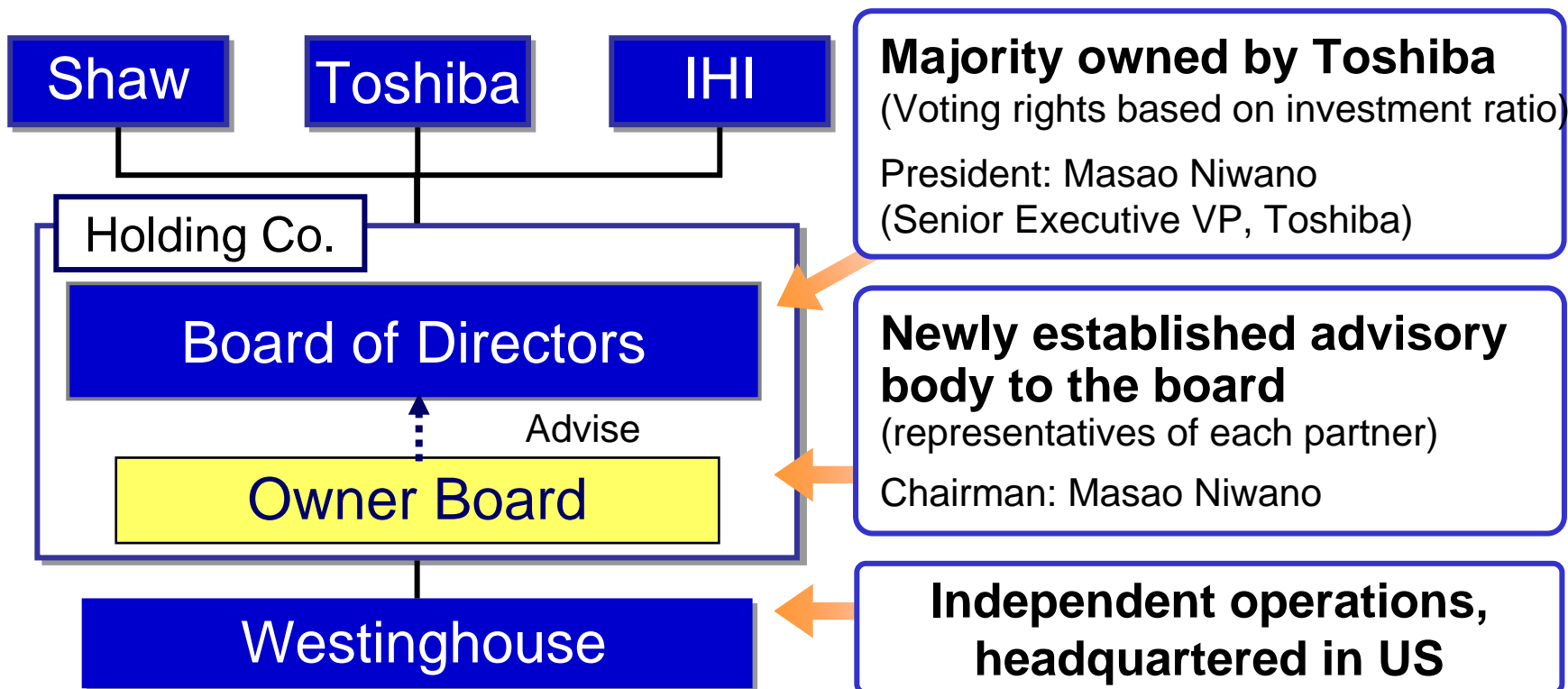


Form a Strong Nuclear Business Group Through Collaboration

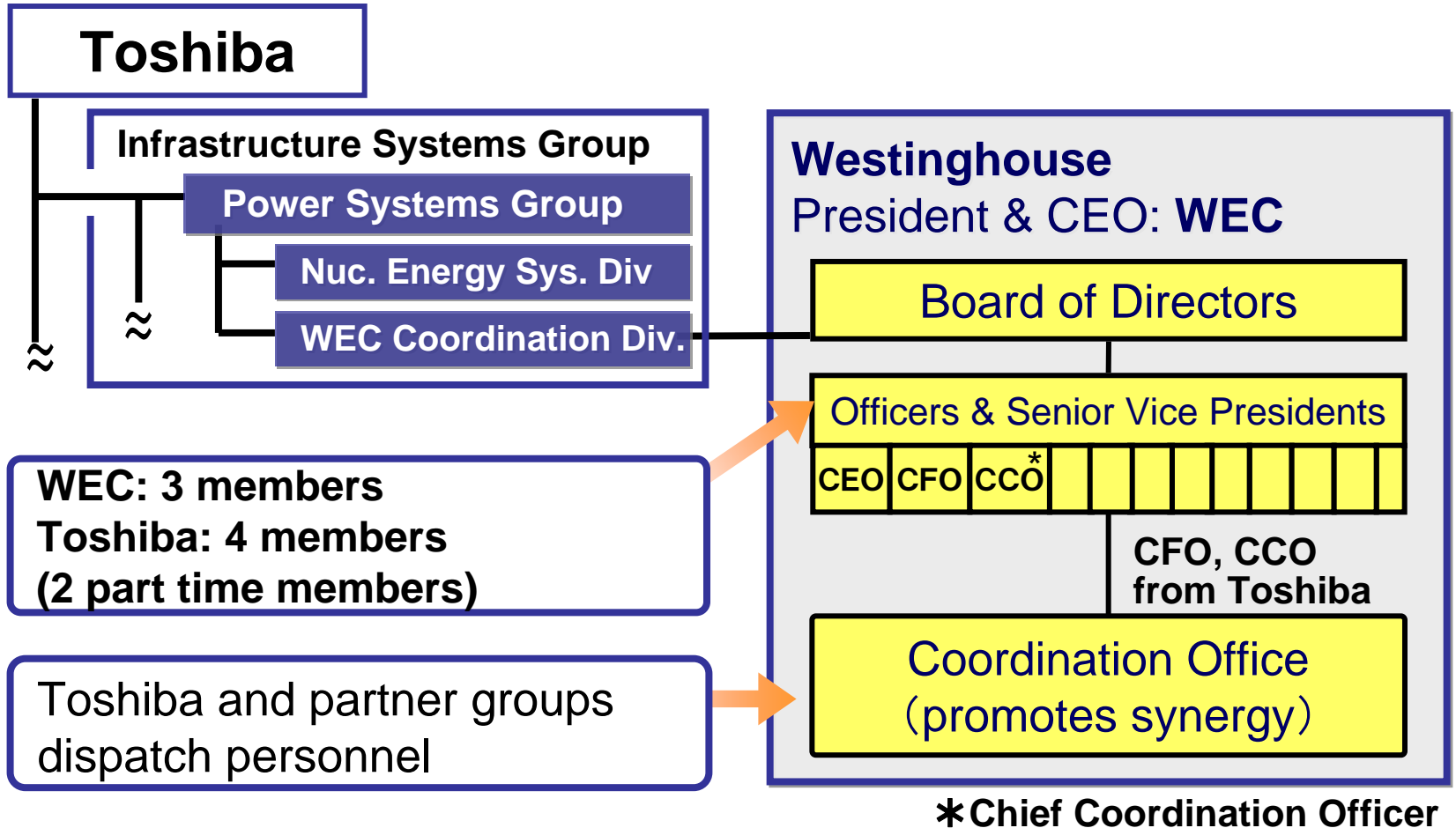
Post Acquisition Structure of Nuclear Energy Business

Operating Structure

- Ensure management control by Toshiba
- Maximize complementary synergy with partners
- Maintain and strengthen WEC's ongoing operations

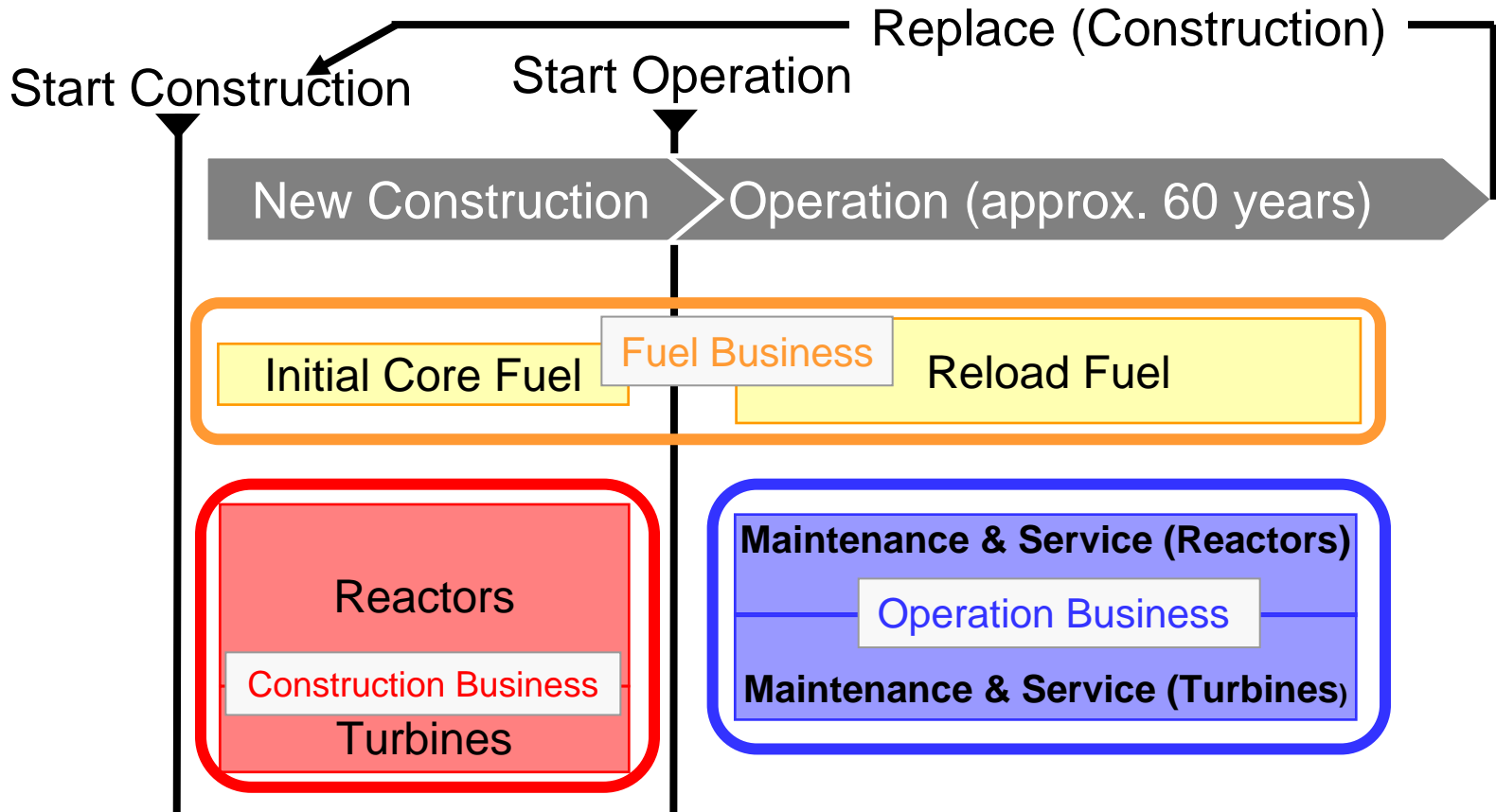


Operating Structure to Maximize Synergy



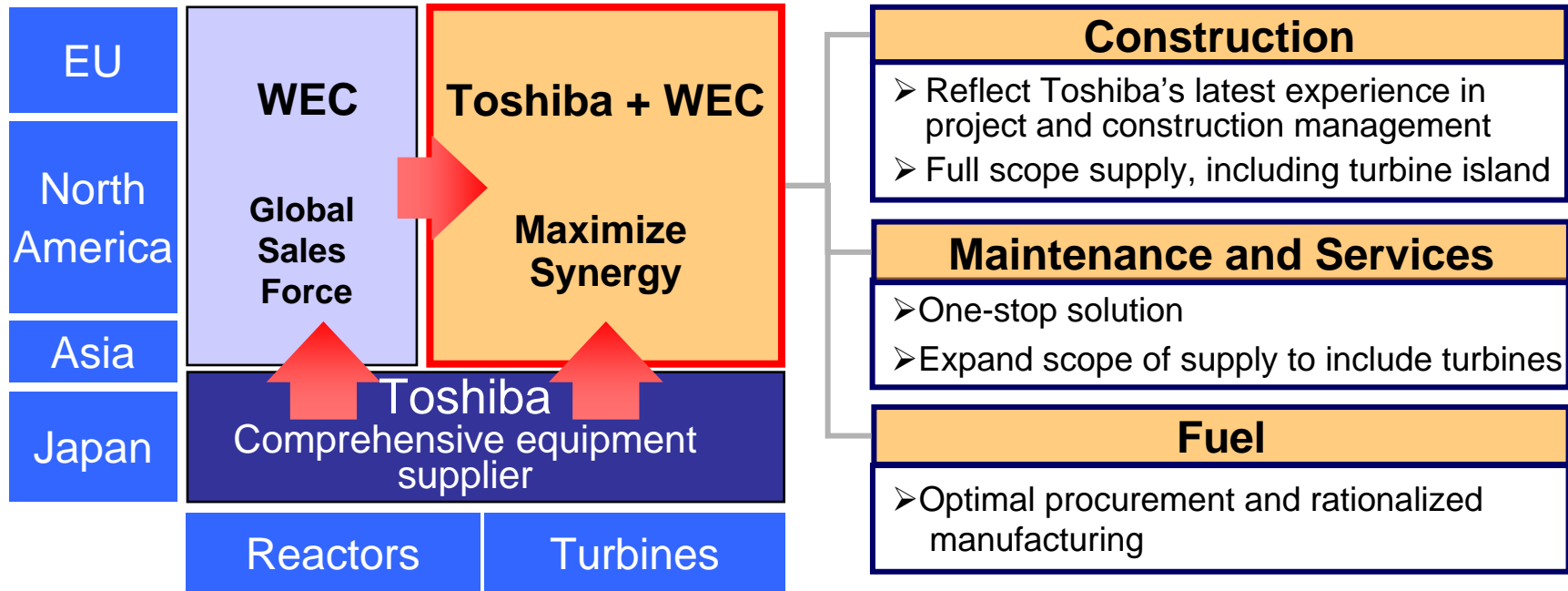
Post Acquisition Development of Nuclear Power Business

Outline of PWR/BPR Plant Business



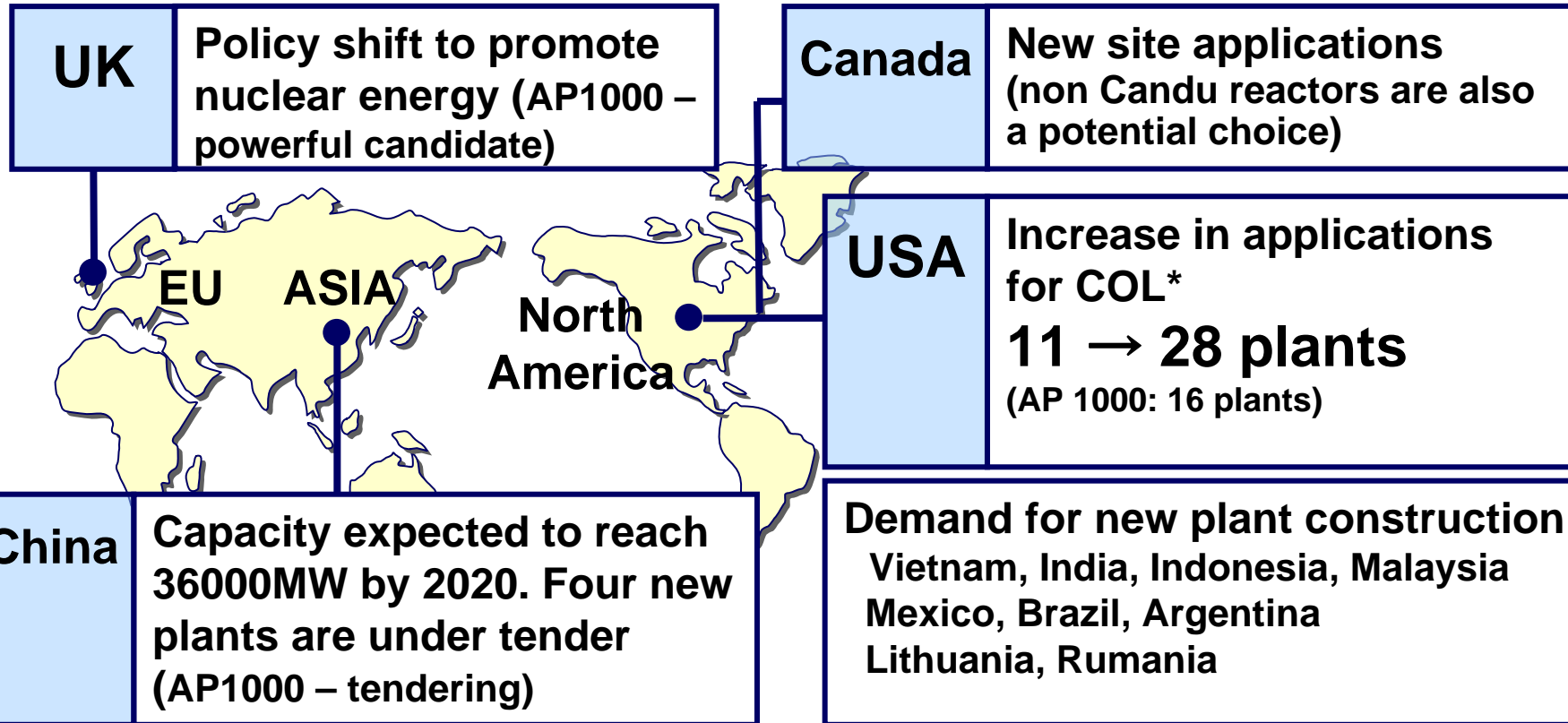
**Stable Business Continues after Construction
in Operation and Fuel**

Expand Business with Complementary Synergy



Maximize Synergy of a Global Sales Force and Comprehensive Equipment Supply

Latest Market Trend: Increasing Demand for Nuclear Power



* COL: Combined Construction and Operation License

Growing Global Demand for New Plants

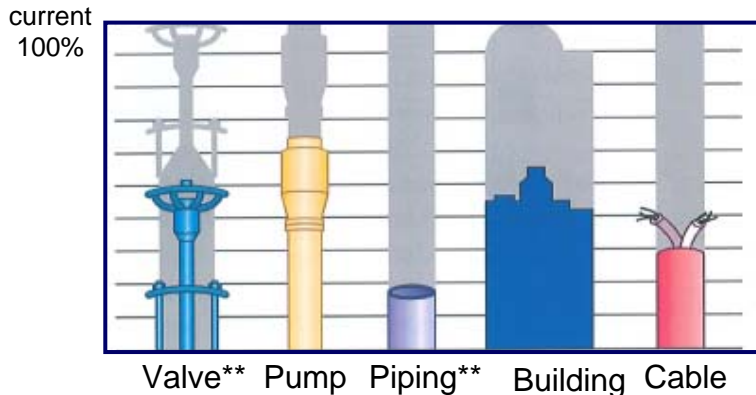
AP1000

● Design Certification by the US NRC*

● First to adopt static security system

- World's highest level safety
- Simple system reduces volume, and construction and operating costs

Volume Half that of Current PWR

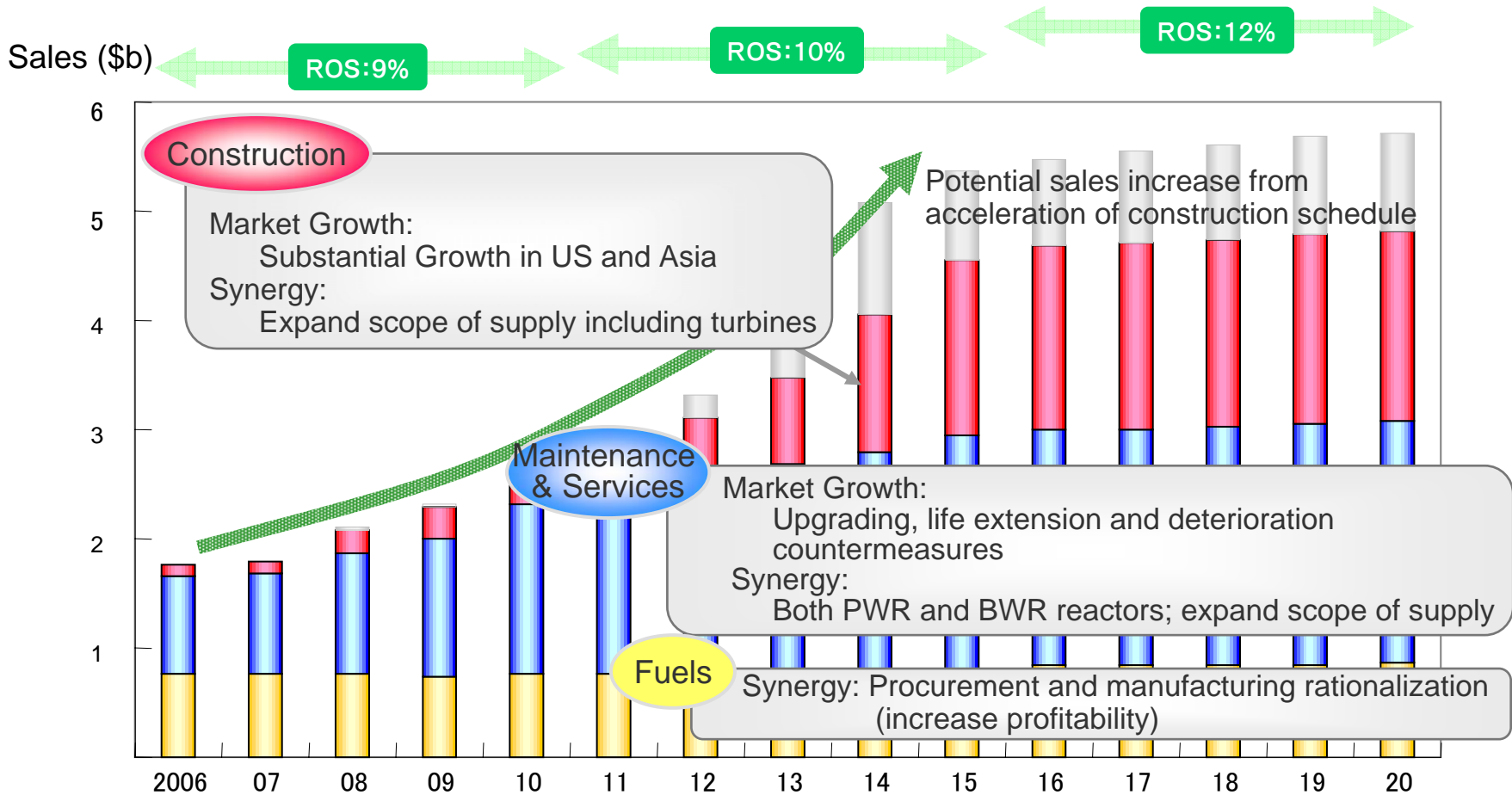


* NRC: Nuclear Regulatory Commission

** Safety-related Items

Innovative PWR with Highly Economic Competitiveness and Safety

WEC Business Plan

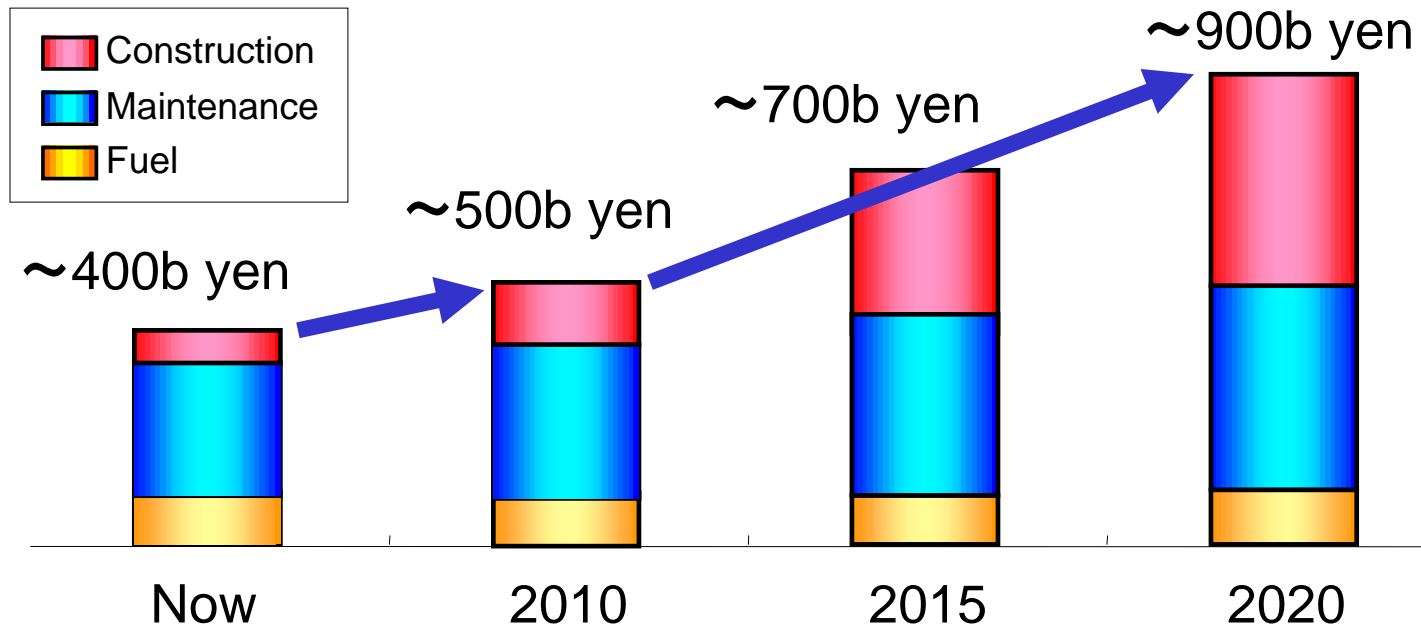


Business Expansion from Market Growth and Complementary Synergy

Business Plan: Toshiba + WEC

Short Term: Stable Growth in Fuel and Service Businesses

Long Term: Substantial Expansion by New Power Plant
Construction Business



In Addition To Expanding Stable Businesses,
Further Expand Business with New Plant Construction



Toshiba + Westinghouse
New Global Leader

promoting further innovation
in nuclear power technology

Contributing to Energy Security and
a Better Global Environment

TOSHIBA

Leading Innovation >>>