

# **FY2006 First Quarter Consolidated Business Results**

**Fumio Muraoka**  
**Corporate Executive Vice President**

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## Forward-looking Statements

- This presentation 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 electronics business, customer demand, foreign currency exchange rates, tax rules, regulations and other factors. Toshiba therefore, wishes to caution that actual results may differ materially from our expectations.
- The figures in this presentation are not audited.
- Toshiba's fiscal year runs from April 1 to March 31.

## Key Points of FY 2006 1Q

- Historically, this is the first time net income has been in the black in the 1Q since we started to announce quarterly consolidated results in FY 2001.  
+4.0 billion yen (FY 2005 1Q: -8.9 billion yen)
- Social Infrastructure 1Q operating income was in the black.  
+2.8 billion yen (FY 2005 1Q -10.0 billion yen)
- All segments recorded higher sales and improved operating income.  
Net Sales: 1,452.8 billion yen (+12%)  
Operating income: 20.8 billion yen (+22.7)
- Temporary increase in D/E ratio due to fund raising for the Westinghouse acquisition.  
(FY 2006 March 92%→FY 2006 June 119%)

## FY2006 1Q Consolidated Business Results

(¥ in billions, except earnings per share)

	FY2006 1Q (A)	FY2005 1Q (B)	(A)-(B)	(A)/(B)
Net sales	1,452.8	1,298.8	154.0	112%
Operating income (loss)	20.8 1.4%	-1.9 -0.1%	22.7 1.5%	-
Income (loss) before income taxes and minority interest	21.9 1.5%	-3.6 -0.3%	25.5 1.8%	-
Net income (loss)	4.0 0.3%	-8.9 -0.7%	12.9 1.0%	-
Basic earnings per share	<b>¥1.26</b>	<b>¥-2.77</b>	<b>¥4.03</b>	-

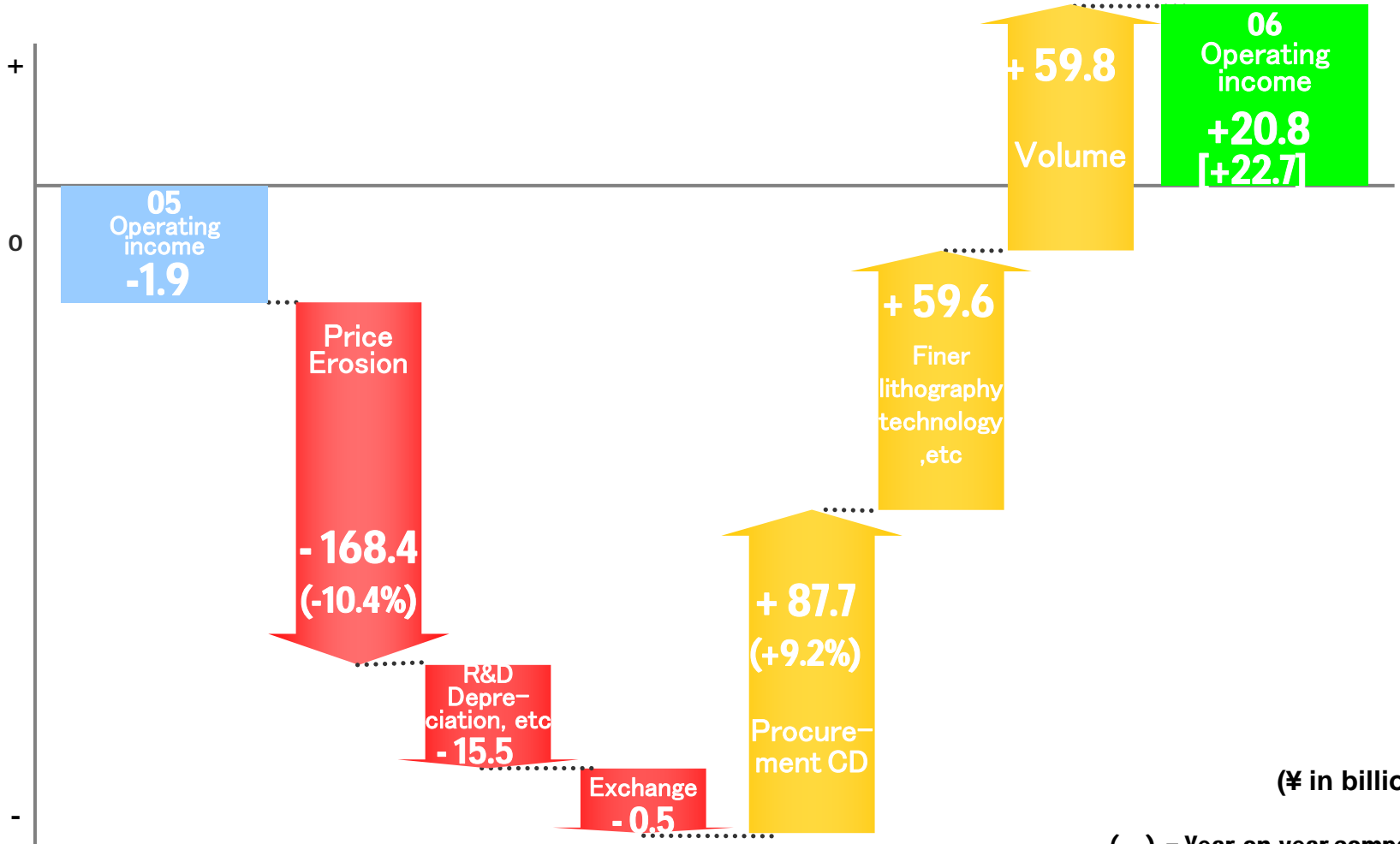
# FY2006 1Q Segment Information

(¥ in billions)

Net sales	1Q FY2006 (A)	1Q FY2005 (B)	(A) - (B)	(A) / (B)
Digital Products	623.4	518.6	104.8	120%
Electronic Devices	323.5	294.6	28.9	110%
Social Infrastructure	368.7	361.9	6.8	102%
Home Appliances	174.9	161.2	13.7	108%
Others	86.7	81.5	5.2	106%
Total	1,452.8	1,298.8	154.0	112%

Operating income (loss)	1Q FY2006 (A)	1Q FY2005 (B)	(A) - (B)	(A) / (B)
Digital Products	1.9 0.3%	0.6 0.1%	1.3 0.2%	302%
Electronic Devices	15.8 4.9%	10.6 3.6%	5.2 1.3%	150%
Social Infrastructure	2.8 0.8%	-10.0 -2.8%	12.8 3.6%	-
Home Appliances	-2.5 -1.4%	-4.7 -2.9%	2.2 1.5%	-
Others	3.2 3.7%	1.5 1.8%	1.7 1.9%	219%
Total	20.8 1.4%	-1.9 -0.1%	22.7 1.5%	-

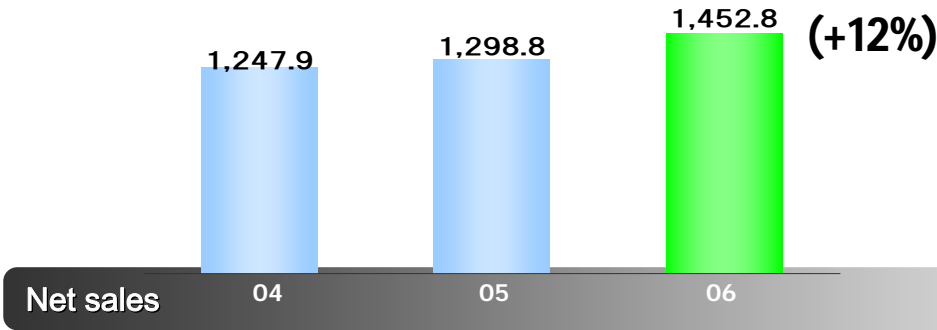
## Operating Income (Loss), FY 2005 and FY2006 1Q



(¥ in billions)

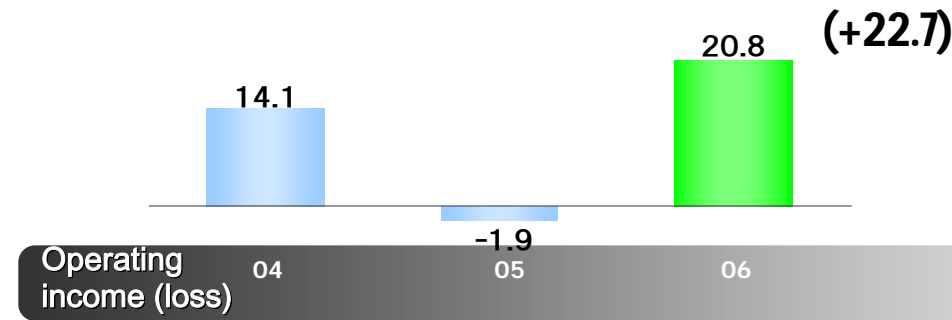
( ) = Year-on-year comparison

# 1Q FY2006 Results - Overview



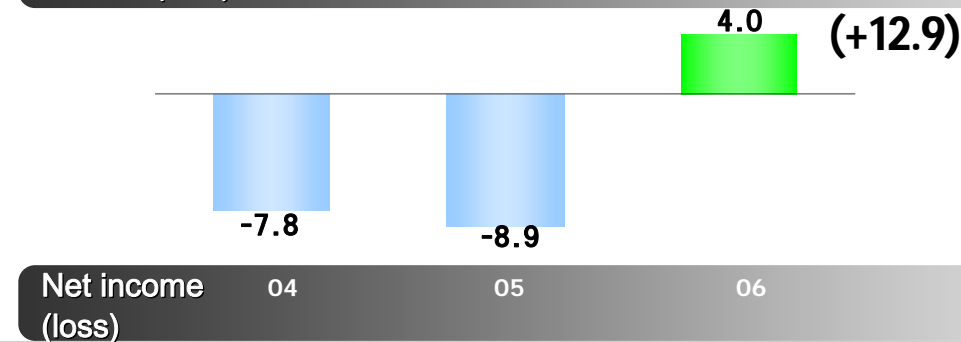
■ Net sales:

All segments recorded higher sales.



■ Operating income (loss):

All segments saw improved operating income and achieved a surplus.



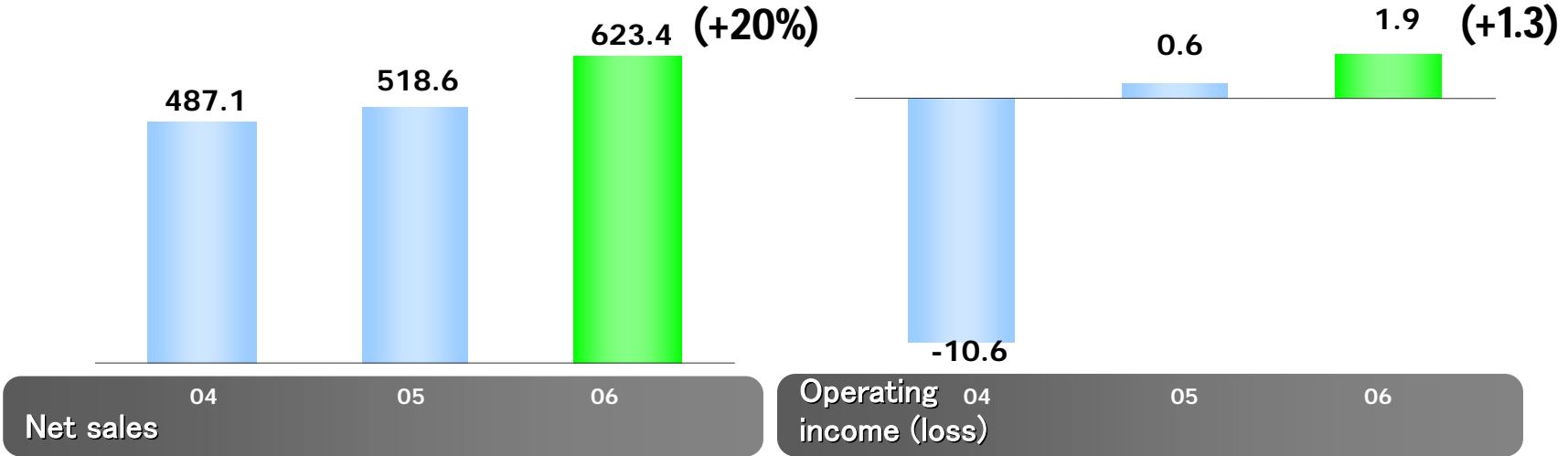
■ Net income (loss):

Net income increased on improved operating income.

Historically, the first time to be in the black in the 1Q.

( ) = Year-on-year comparison

## Digital Products



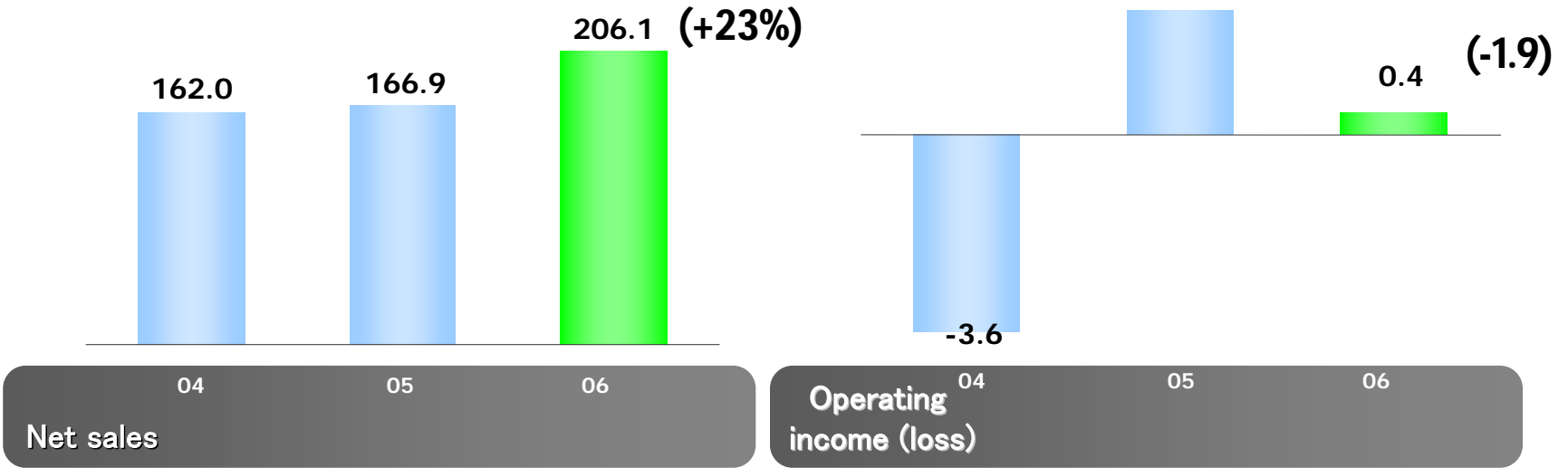
■ Digital media business, such as PCs and TVs, saw higher sales.

■ While the PC business saw lower operating income, strong performances in storage devices and the mobile phone business, and improvement in the TV business, raised operating income.

( ) = Year-on-year comparison



# PC Business

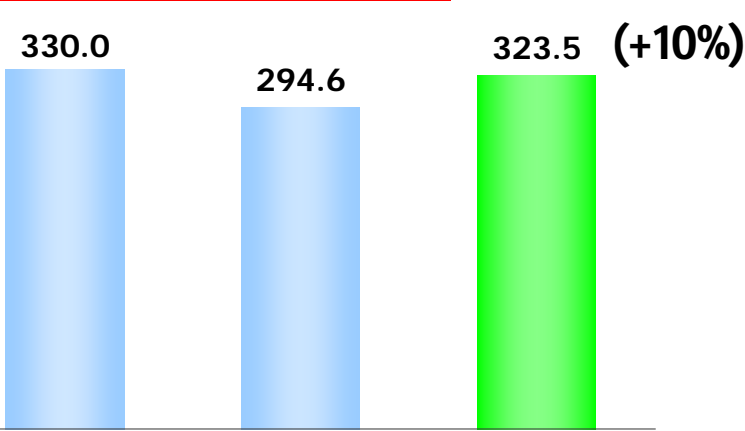


■ Overseas and domestic sales of PCs both grew.

■ The PC business felt the impact of yen depreciation, and operating income was lower than in the 1Q FY2005.

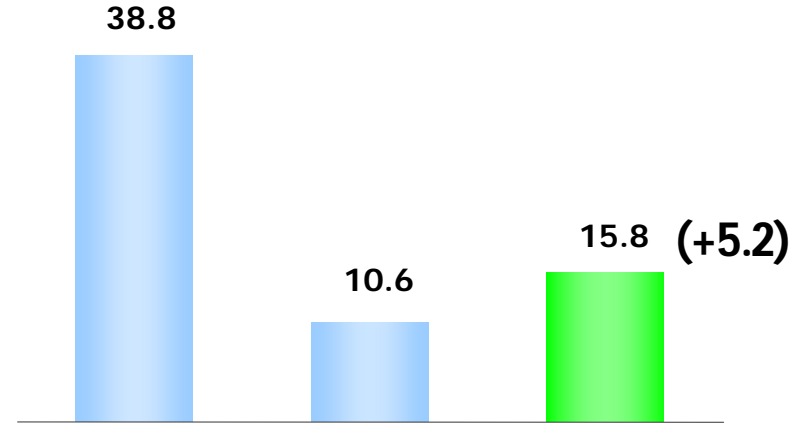
( ) = Year-on-year comparison

## Electronic Devices



Net sales

■ There were higher sales of memories and LCDs for mobile devices, led by volume increase.

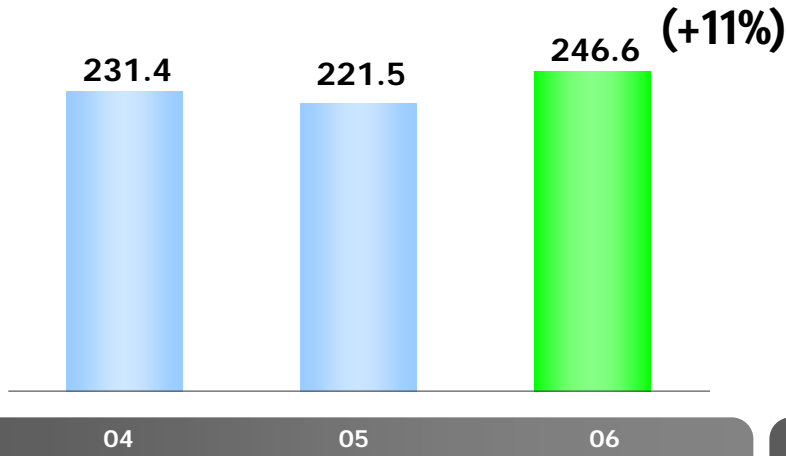


Operating income (loss)

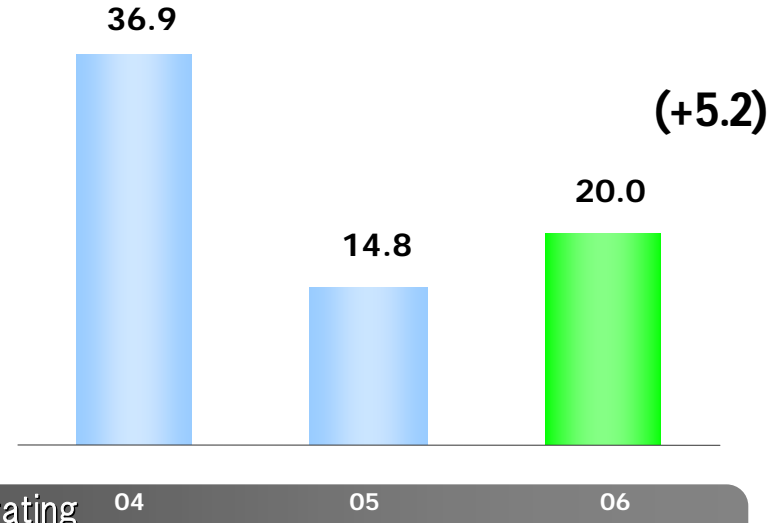
■ Improvement in the semiconductor and LCD businesses raised profit.

( ) = Year-on-year comparison

# Semiconductor Business



Net sales



Operating Income (loss)

■ Semiconductor sales grew; there was notably strong growth in memories.

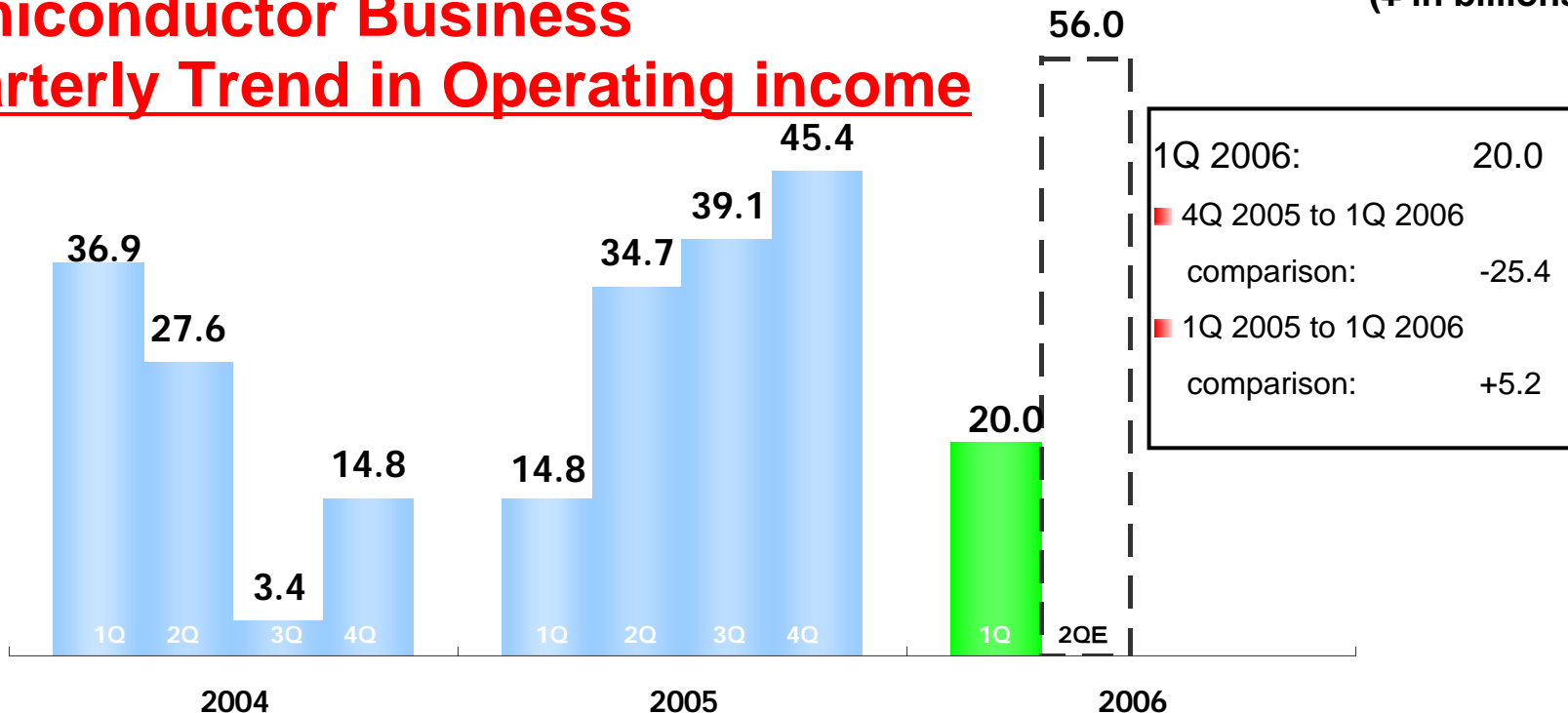
■ The increase reflected the improvement in System LSIs and Discretes.

( ) = Year-on-year comparison

# Semiconductor Business

## Quarterly Trend in Operating income

(¥ in billions)

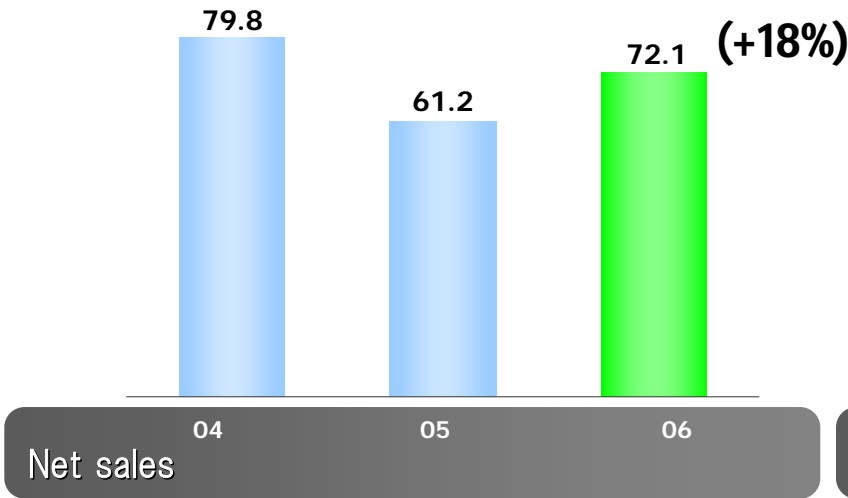


■ The forecast for the first half of FY 2006 remains the same.

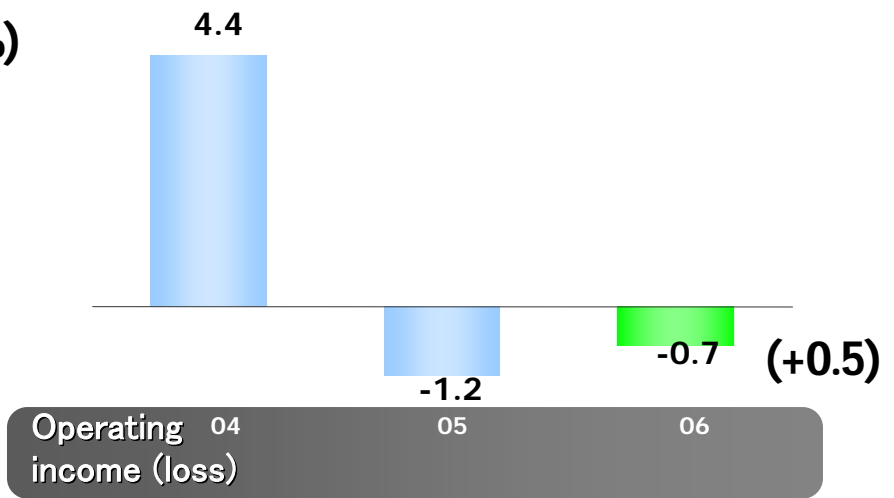
### NAND Flash Memory

Responding to rapid expansion in the NAND Flash Memory market on demand for digital audio players, other mobile devices, and memory cards, Toshiba will proactively invest **35 billion yen** in capacity enhancement at Fab 3 in Yokkaichi Operations, which is expected to produce 110,000 wafers a month in first half of FY 2007. This **35 billion yen** investment is part of the Company's of 354 billion yen investment in the Semiconductor business in FY 2006.

# LCD Business



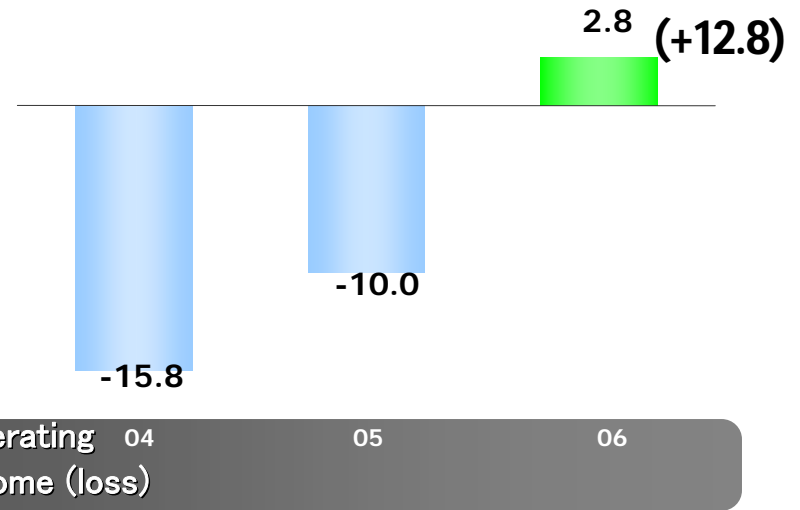
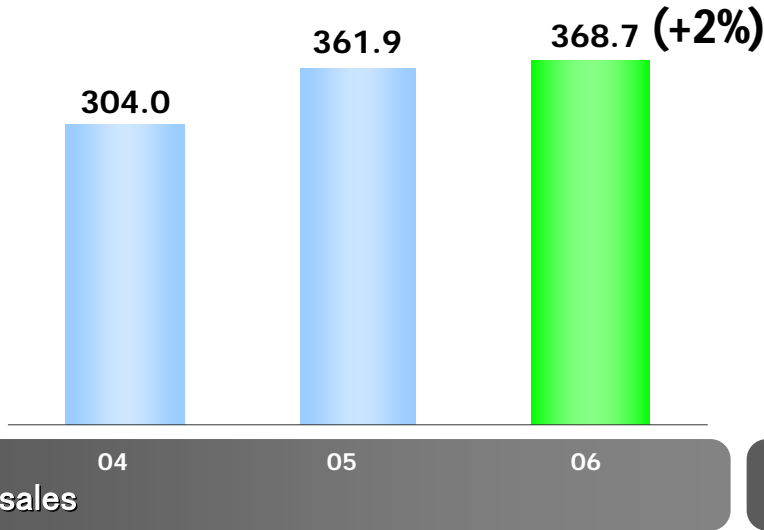
■ Sales of LCD displays for mobile devices grew.



■ The 1Q saw recovery due to improved costs and increased sales of products for mobile devices.

( ) = Year-earlier period comparison

# Social Infrastructure



■ While nuclear power systems saw decreased sales, strong performances in medical systems and broadcasting systems raised sales.

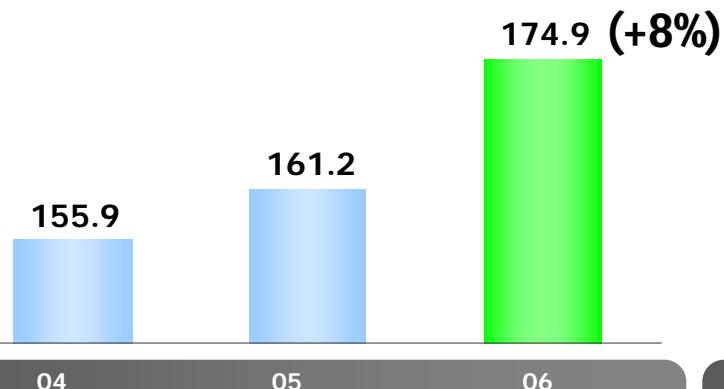
■ Improved performances in broadcasting systems and medical systems raised the segment to profit.

( ) = Year-on-year comparison

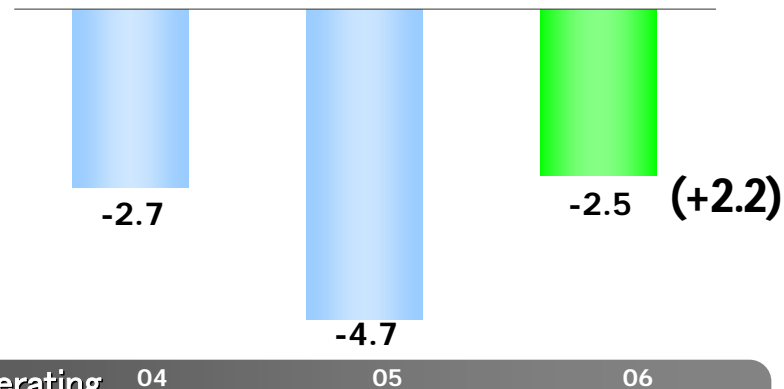
# Home Appliances

(¥ in billions)

( ) = Year-earlier period comparison

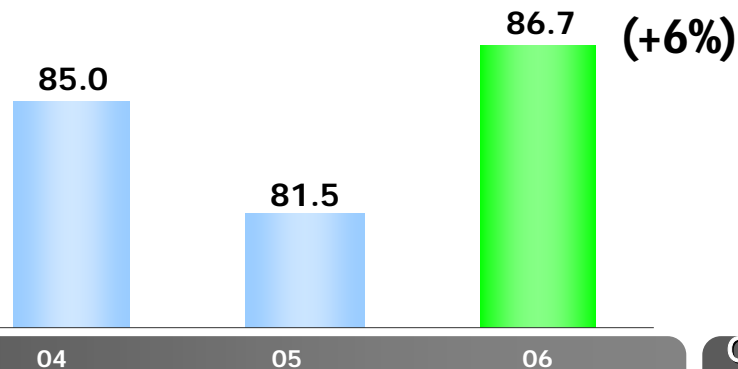


Net sales

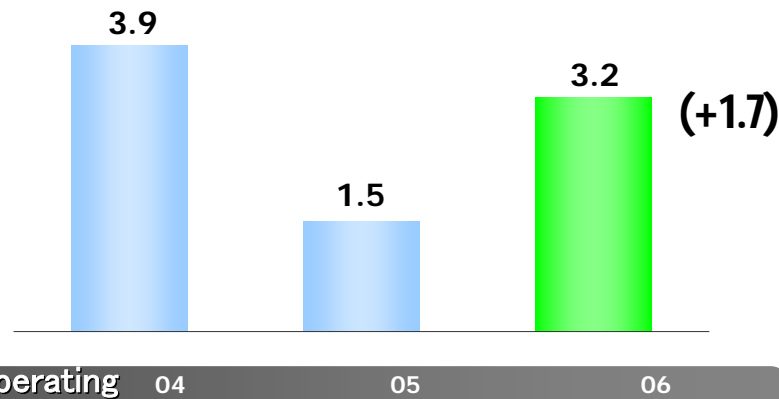


Operating income (loss)

# Others

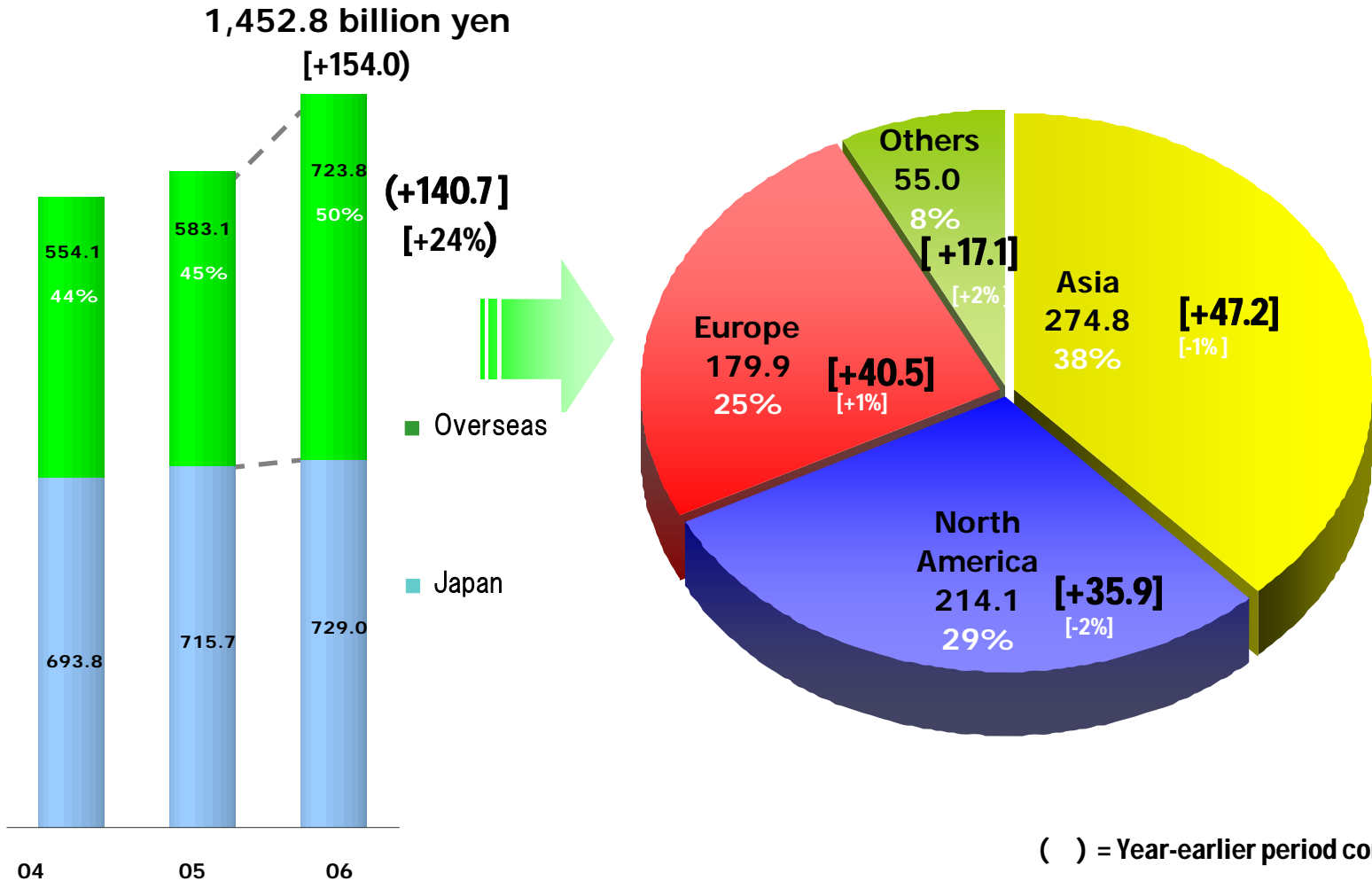


Net sales



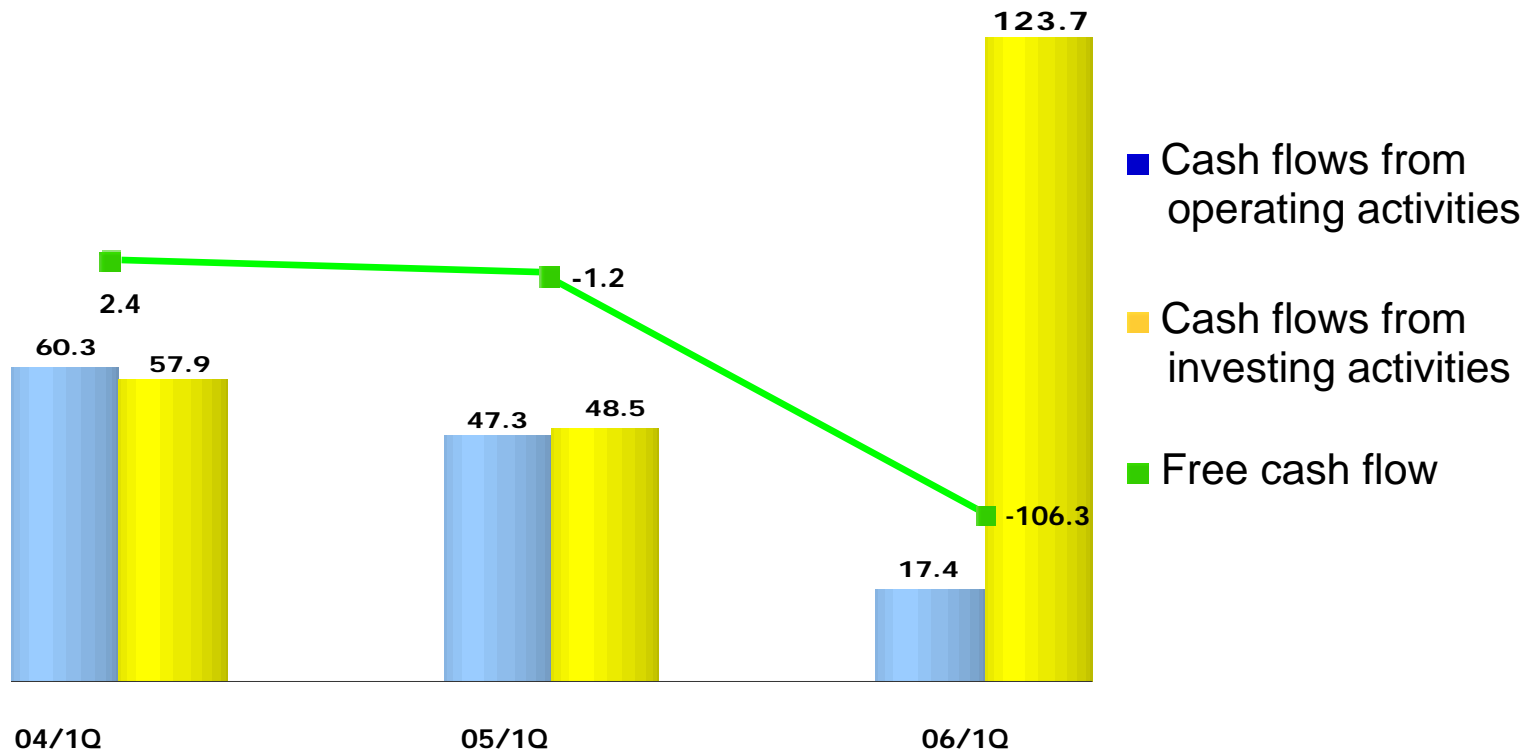
Operating income (loss)

# Consolidated FY2006 1Q Net Sales, by Region



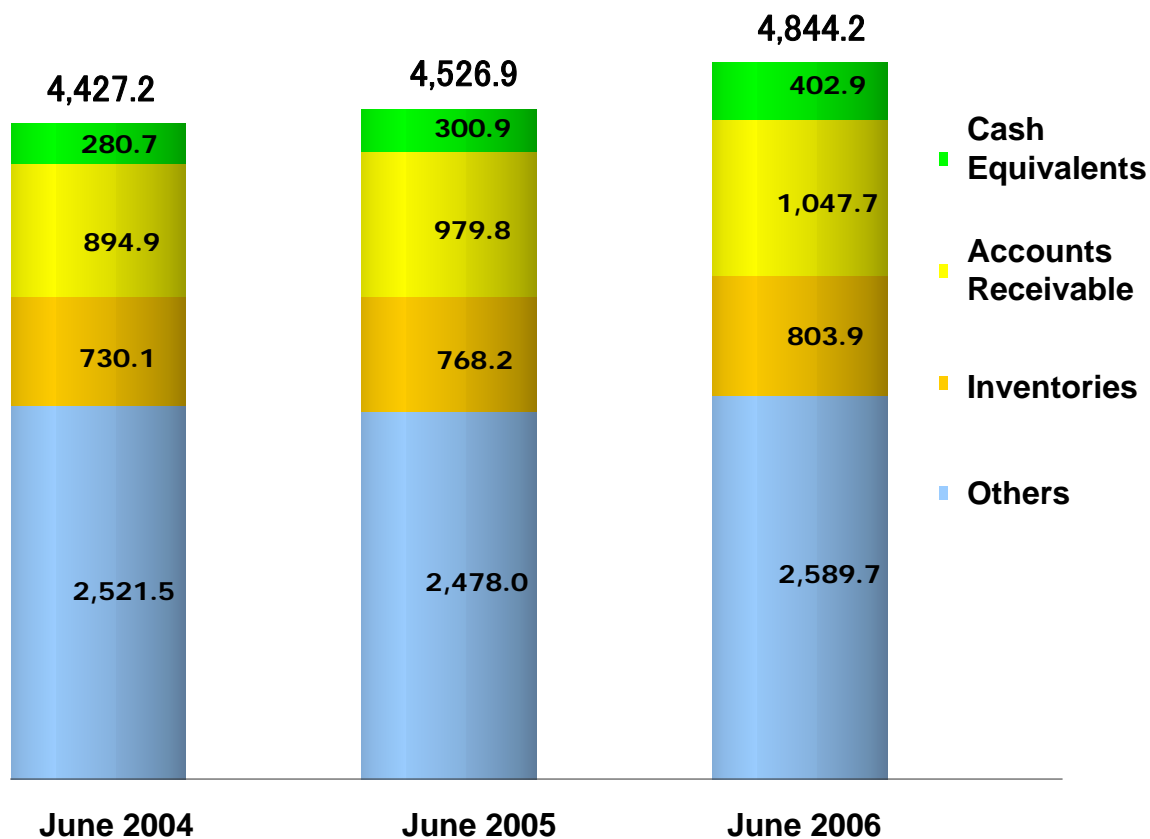


# Cash Flows



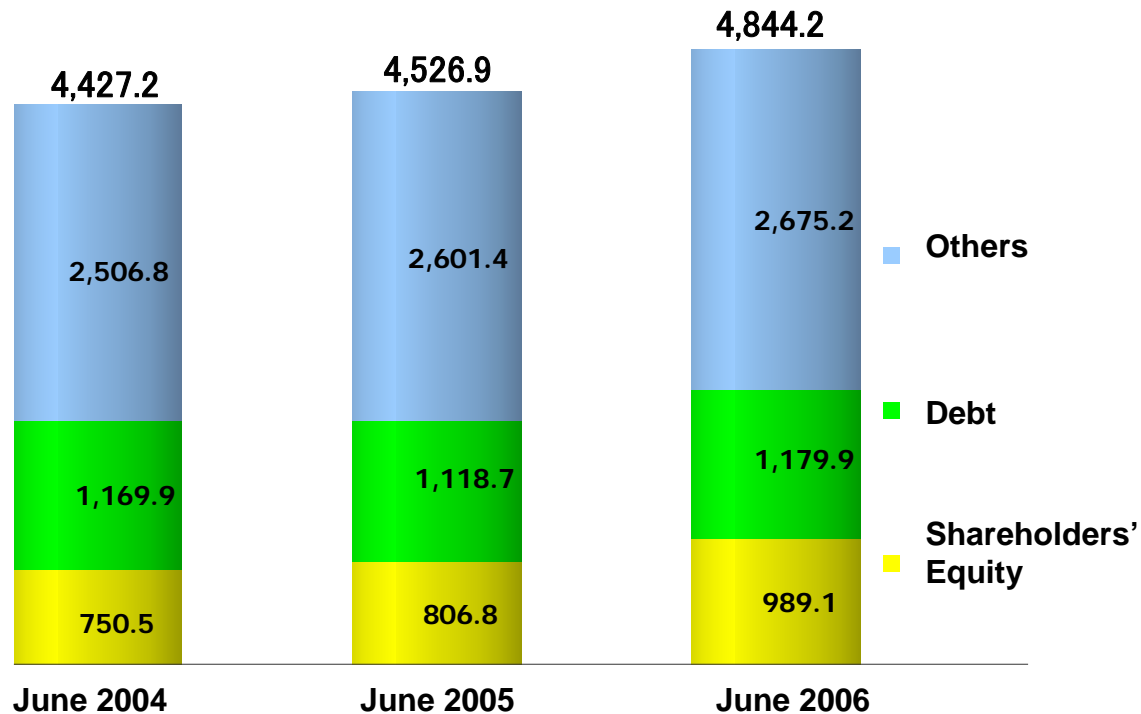
# Consolidated Balance Sheets

## Assets

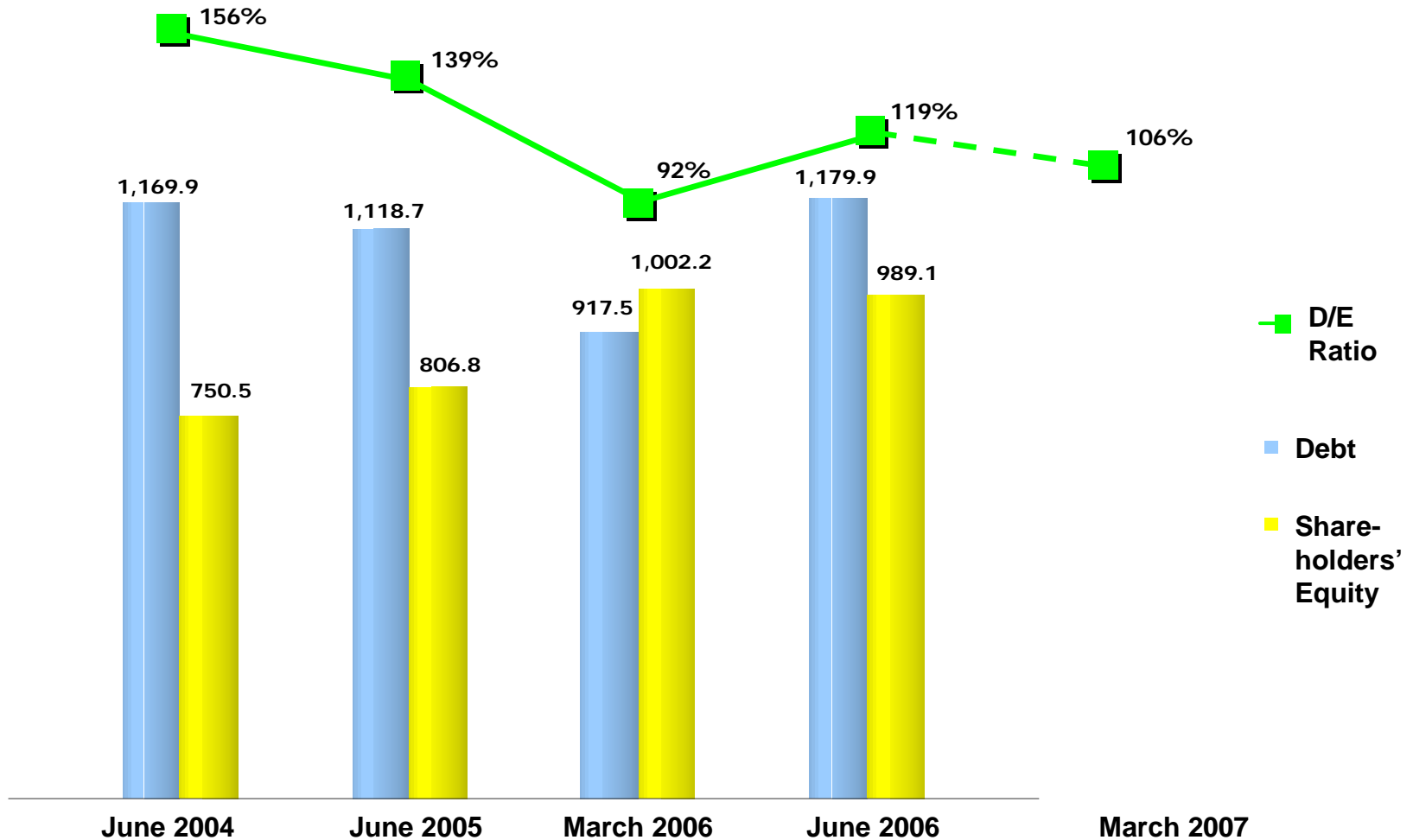


# Consolidated Balance Sheets

## Liabilities and Shareholders' Equity



**D/E Ratio**



## Consolidated Forecast for First Half of FY2006

(¥ in billions)

	FY2006 (Forecast) (A)	FY2005 (Actual) (B)	(A) - (B)	(A) / (B)
Net sales	3,000.0	2,900.1	99.9	103%
Operating income (loss)	55.0 1.8%	51.4 1.8%	3.6 -	-
Income (loss) before income taxes and minority interest	45.0 1.5%	42.1 1.5%	2.9 -	-
Net income (loss)	15.0 0.5%	14.6 0.5%	0.4 -	-

- The business forecast remain unchanged from that announced on April 28, 2006.

## Consolidated Forecast for FY2006

(¥ in billions)

	FY2006 (Forecast) (A)	FY2005 (Actual) (B)	(A) - (B)	(A) / (B)
Net sales	<b>6,600.0</b>	6,343.5	256.5	104%
Operating income (loss)	<b>265.0</b> <b>4.0%</b>	240.6 3.8%	24.4 0.2%	-
Income (loss) before income taxes and minority interest	<b>220.0</b> <b>3.3%</b>	178.2 2.8%	41.8 0.5%	-
Net income (loss)	<b>90.0</b> <b>1.4%</b>	78.2 1.2%	11.8 0.2%	-

- **The business forecast remain unchanged from that announced on April 28, 2006.**