

FY2008
Revised Business Forecast

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 the 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.
- Figures that are "as of Jan." were announced on January 29, 2009.
- Toshiba's fiscal year runs from April 1 to March 31.
- Figures are consolidated.

FY2008 Forecast, Overall

(¥ billions)

	FY2008	FY2007	As of Jan.	Difference	
				vs. FY2007	vs. As of Jan.
Net Sales	6,650.0	7,665.3	6,700.0	-1,015.3	-50.0
Operating Income (loss)	-250.0	246.4	-280.0	-496.4	30.0
%	-3.8%	3.2%	-4.2%	-7.0%	0.4%
Income (loss) before income taxes and minority interest	-280.0	265.0	-330.0	-545.0	50.0
%	-4.2%	3.5%	-4.9%	-7.7%	0.7%
Net Income (loss)	-350.0	127.4	-280.0	-477.4	-70.0
%	-5.3%	1.7%	-4.2%	-7.0%	-1.1%

*Mobile Broadcasting business was discontinued at the end of FY2008, and FY2007 figures were adjusted accordingly.

FY2008 Forecast, by Segment

(¥ billions)

Net Sales	FY2008	FY2007	As of Jan.	Difference	
				vs. FY2007	vs. As of Jan
Digital Products	2,470.0	2,951.2	2,480.0	-481.2	-10.0
Electronic Devices	1,320.0	1,738.5	1,310.0	-418.5	10.0
Social Infrastructure	2,400.0	2,419.0	2,400.0	-19.0	0.0
Home Appliances	670.0	774.3	680.0	-104.3	-10.0
Others	330.0	381.8	340.0	-51.8	-10.0
Consolidated Total	6,650.0	7,665.3	6,700.0	-1,015.3	-50.0

Operating Income (loss)	FY2008	FY2007	As of Jan.	Difference	
				vs. FY2007	vs. As of Jan
Digital Products	-15.0	15.0	-20.0	-30.0	5.0
%	-0.6%	0.5%	-0.8%	-1.1%	0.2%
Electronic Devices	-325.0	74.1	-340.0	-399.1	15.0
%	-24.6%	4.3%	-26.0%	-28.9%	1.4%
Social Infrastructure	115.0	131.3	120.0	-16.3	-5.0
%	4.8%	5.4%	5.0%	-0.6%	-0.2%
Home Appliances	-25.0	3.9	-30.0	-28.9	5.0
%	-3.7%	0.5%	-4.4%	-4.2%	0.7%
Others	0.0	23.0	-10.0	-23.0	10.0
%	0.0%	6.0%	-2.9%	-6.0%	2.9%
Consolidated Total	-250.0	246.4	-280.0	-496.4	30.0
%	-3.8%	3.2%	-4.2%	-7.0%	0.4%

*Mobile Broadcasting business was discontinued at the end of FY2008, and FY2007 figures were adjusted accordingly.

Breakdown of Revised Business Forecast

(vs. Jan. 2009)

- Operating income (loss) -250.0 billion yen (+30.0 billion yen)
 - Digital Products +5.0 billion yen
Improvement in TV business, resulting in a return to the black
 - Electronic Devices +15.0 billion yen
Improvement on increased sales in Memory and System LSI businesses
- Income (loss) before income taxes and minority interest
-280.0 billion yen (+50.0 billion yen)
Improvement from rise in operating income
- Net Income (loss) -350.0 billion yen (-70.0 billion yen)
Impacted by 85 billion yen revision of deferred tax assets (for local tax)

FY2008 Forecast, by Business

(¥ billions)

		FY2008	FY2007	As of Jan.	Difference	
					vs. FY2007	vs. As of Jan
PC	Net Sales	955.0	1,040.4	950.0	-85.4	5.0
	Operating Income	14.0	41.2	14.0	-27.2	0.0
	%	1.5%	4.0%	1.5%	-2.5%	0.0%
Semiconductor	Net Sales	1,020.0	1,391.9	1,000.0	-371.9	20.0
	Operating Income	-280.0	89.0	-290.0	-369.0	10.0
	%	-27.5%	6.4%	-29.0%	-33.9%	1.5%
LCD	Net Sales	255.0	290.8	270.0	-35.8	-15.0
	Operating Income	-37.0	-12.0	-30.0	-25.0	-7.0
	%	-14.5%	-4.1%	-11.1%	-10.4%	-3.4%
Power Systems, Industrial Systems	Net Sales	1,340.0	1,262.0	1,340.0	78.0	0.0
	Operating Income	67.0	65.9	73.0	1.1	-6.0
	%	5.0%	5.2%	5.4%	-0.2%	-0.4%
Medical Systems	Net Sales	359.0	389.1	360.0	-30.1	-1.0
	Operating Income	24.0	30.3	25.0	-6.3	-1.0
	%	6.7%	7.8%	6.9%	-1.1%	-0.2%

Deferred Tax Assets: Forecast for FY08

(¥billions)

Outstanding amount of deferred tax assets (non-consolidated)

		FY08	FY07	As of Jan.	Difference	
					vs. FY07	vs. As of Jan.
	Corporate income tax	185.0	113.3	185.0	71.7	0
	Local tax	0	63.9	85.0	-63.9	-85.0
	total	185.0	177.2	270	7.8	-85.0

Outstanding amount of deferred tax assets (consolidated)

		FY08	FY07	As of Jan.	Difference	
					vs. FY07	vs. As of Jan.
	total	430.0	353.6	520.0	76.4	-90.0

● Corporate Income Tax

The carry-forward of losses incurred in FY2008 will be retrievable during the period of mid-term plan, due to the future taxable income of Toshiba Corporation and its wholly-owned subsidiaries (consolidated taxation base).

● Local Tax

Consolidated taxation system is not applicable. A challenging situation in the current economic environment is impacting on planned taxable income, resulting in a major drawdown in deferred tax assets.

Deferred Tax Assets: Audit Guidelines

Excerpts from Auditing Standards Board's Report No. 66

— Guidelines for Valuation Allowance Revisited —

④ Companies with a significant loss carryforward

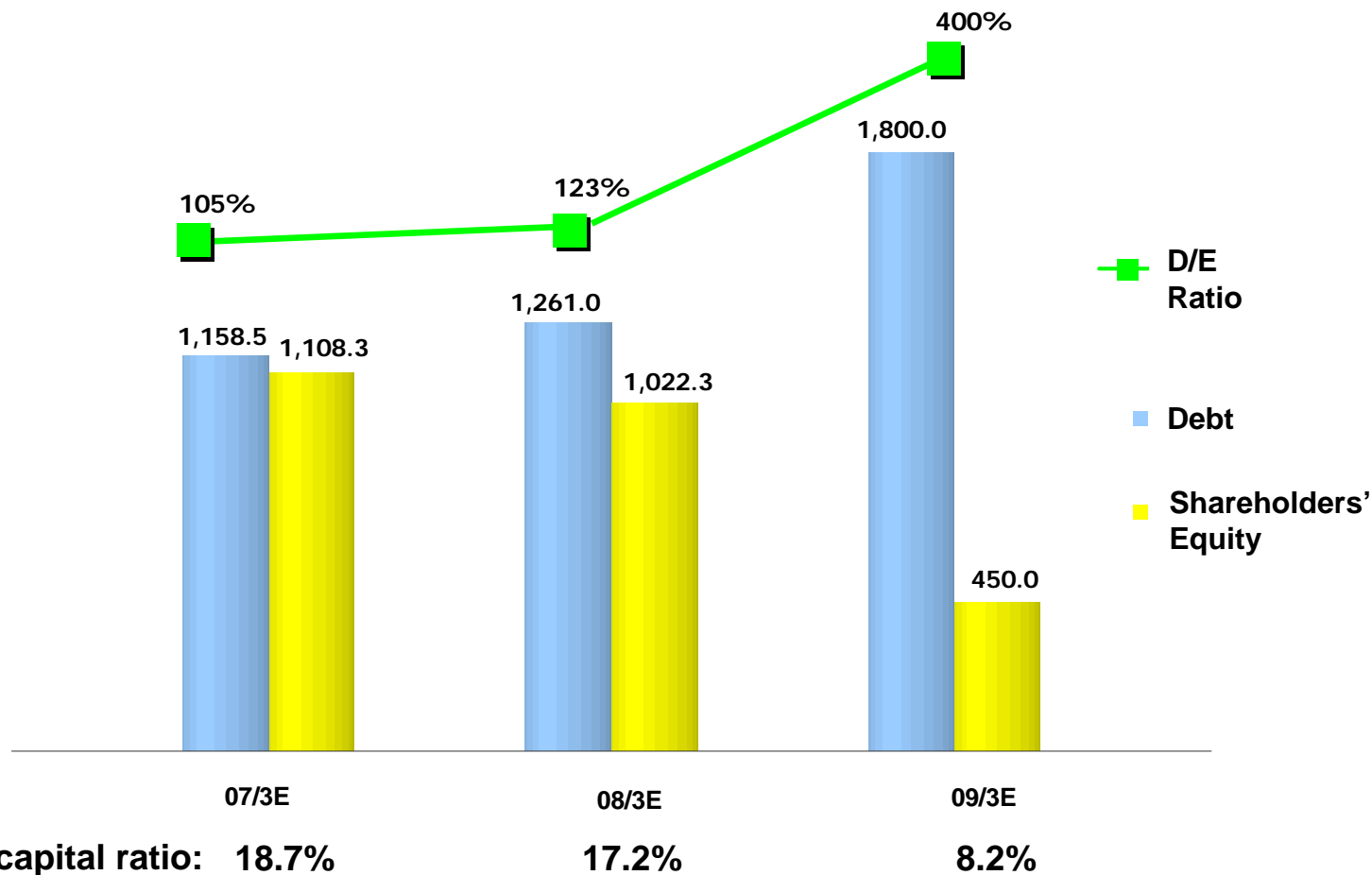
- Companies with a loss that is significant for tax purposes and that is carried forward at the end of the fiscal year.
 - Companies for which the amount carried forward has reached the deadline in the past (usually within the last three years).
 - Companies that anticipate expiration of the deadline for a carried forward loss that is significant for tax purposes.
- Deferred tax assets can be recorded, based on expected taxable income in the coming term and the result of scheduling the temporary difference in the next term.

④ Notes to the above

- The significant loss carried forward results from extraordinary factors such as business restructuring and changes in laws and regulations, and applies to companies that post taxable income every year.
- Deferred tax assets can be recorded up to the estimated amount of taxable income for a reasonable, foreseeable period (usually five years).

D/E Ratio, FY2008 Forecast

(¥ billions)



Action Program Measures to Improve Profitability

1. Reform Structures of Businesses Most Affected by the Downturn

- Semiconductor business restructuring
- LCD business restructuring
- Other challenging businesses (digital products, home appliances) under review for possible restructuring

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

- Comprehensive reduction of fixed costs
¥300 billion reduction vs. FY2008
- Measures to generate profit: strengthen cost competitiveness and expand businesses outside Japan

3. Accelerate Strategic Allocation of Resources to Growth Businesses

- Shift managerial resources to Social Infrastructure businesses
- Accelerate new businesses in such fields as the environment and energy

Reforming Business Structures

Semiconductor Business

- Continue 30% reduction of NAND flash memory production at Yokkaichi Operations for the interim
- Withdraw from or scale back unprofitable businesses, such as LCD drivers; focus resources on analog ICs, image sensors, wireless ICs, DTV ICs
- Transfer system LSI production from Kitakyushu Operations to Oita Operations (plan to complete transfer in FY2009)
- Scale back production at Toshiba Components Co., Ltd. and Hamaoka Toshiba Electronics Corporation
 - Average overseas production for discrete assembly operations:
30% in 2H FY08 → 40% in 1H FY09, with continued gradual expansion
- Study fundamental restructuring

LCD Business

- Streamline production at Fukaya Works and Uozu Works: stop four lines, cut back to five lines in FY2008
 - Toshiba Matsushita Display Technology Co., Ltd. to become a wholly owned Toshiba Group company
- Rapidly implement fundamental restructuring and accelerate operation improvement

Reforming Business Structures

Home Appliance Business

- Consolidate Domestic Manufacturing and Development Bases
 - Manufacturing Bases
 - End manufacturing at Aichi Operations and transfer to Toshiba Home Technology Corporation and Toshiba HA Manufacturing (Nanhai) Co., Ltd.
 - Development Bases
 - Close Hadano Operations; consolidate product development to Aichi Operations (vacuum cleaners) and Toshiba Home Technology Corporation (cooking appliances)

Digital Products Business

- Reform Structure of Mobile Phone Business
 - Use overseas manufacturing bases, etc.
- Reshape global production in TV Business

Fixed Costs Reduction Targets, by Industry Segment

(¥ billions)

	Difference vs. FY2008
Digital Products	- 50.0
Electronic Devices	- 160.0
Social Infrastructure	- 40.0
Home Appliances	- 30.0
Others	- 20.0
Consolidated Total	- 300.0

Major Measures

- Digital Products
 - Restructure mobile phone business
 - Reshape global TV production system
- Electronic Devices
 - Reorganize domestic facilities and accelerate focus on strategic resource allocation
 - Stop or scale back operation of unprofitable LCD lines
- Social Infrastructure
 - Curb outsourcing costs
- Home Appliances
 - Consolidate manufacturing and development facilities

* Fixed costs reduction targets for FY 2009, as announced in Action Program on Jan. 29th, 2009, by segment

Fixed Costs Reduction Targets, by Costs

(¥ billions)

	Difference vs. FY2008
Depreciation & rent expenses under leases	- 33.0
R&D cost	- 70.0
Employment cost	- 44.0
Advertising cost & sales promotion	- 13.0
Outsourcing	- 44.0
Business activity cost	- 19.0
Rental related	- 24.0
Indirect manufacturing cost	- 20.0
Others	- 33.0
Total	- 300.0

*Fixed costs reduction targets for FY 2009,
as announced in Action Program on Jan. 29th, 2009, by items

Major Measures

● Depreciation & rent expenses under leases

Curtail capex by promoting rigorous selection and sales of property to accelerate restructuring plan.

● R&D cost

Curb R&D expenditure through more rigorous selection of R&D themes and enhance R&D efficiency.

● Employment cost

Senior management to return part of compensation; temporary bonus and salary reductions for managerial staff. Review appropriate workforce levels for each business.

● Outsourcing

Take over outsourced jobs.

● Indirect manufacturing costs

Reduce manufacturing costs by enhancing productivity and quality.

Thoroughly Focus on Strategic Resource Allocation

Capex: Continue strategic resource allocations focused on strong and promising businesses, but with greater selectivity in investments

FY2008 (forecast)
¥430 billion

-42%

FY2009 (plan)
¥250 billion

(¥250 billion cut vs. forecast)

- ◆ Semiconductor Business capex
¥230 billion

Less than ¥100 billion

R&D expenditures: Promote rigorous selection of R&D themes and an enhanced focus on strategic resource allocation, enhance efficiency of R&D activities

FY2008 (forecast)
¥390 billion

-18%

FY2009 (plan)
¥320 billion

(¥400 billion cut vs. forecast)

- Channel major resources to developing promising growth businesses: the environment, energy and data storage areas
- Enhance efficiency of R&D activities
 - Share intellectual property by promoting common platforms
 - Use overseas resources in system development more effectively

Personnel Measures

Review appropriate personnel assignment and workforce levels

- Reallocate human resources to focus on strong and promising businesses
- Take over jobs that are outsourced or done by limited-term employees
- Reduce number of limited-term workers in Japan
-4,500 employees by F08 end; -3,900 by FY09 end

Implement “work sharing” system

- Implement leave system and adjust working hours (mainly for Semiconductor and LCD businesses) in Japan
Subject employees: Approx. 26,000 for FY2008
→ Implement in light of FY2009 market demand conditions
- Raise operating efficiency and reduce overtime by rethinking ways of working

Accelerating Strategic Allocation of Resources to Growth Businesses

Social Infrastructure Business

- Accelerate global expansion of Nuclear Power Business
 - Invest in Uranium One Inc., a major, Canadian-listed producer and marketer of uranium (Feb. 2009)
 - Awarded EPC contracts, including those for two ABWR nuclear power plants in Texas
- Enhance environmentally conscious total energy system business
 - Reinforce business structure for solar photovoltaic systems for utility and industrial plants
 - Build a pilot plant for carbon dioxide capture technology to accelerate R&D in separation and capture technology
 - Start preparations for full-scale production for SCiB, Toshiba's breakthrough rechargeable battery
 - Corporate with Volkswagen AG in development of electric drive units, etc., for electric vehicles

Note: electric drive units, etc., includes motors, inverters and SCiBs

Accelerating Strategic Allocation of Resources to Growth Businesses

HDD Business

- MOU on the transfer of Fujitsu Limited's HDD business to Toshiba (Feb. 2009)

NAND Flash Memory Business

- Plan to start shipment of 32-nanometer devices in Sept. 2009
- SSD: Started production in April with 43nm devices

New Lighting Systems Business

- Expand line-up of LED-based products for global market
- Strengthen overseas sales and marketing operations

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