

FY2008
Revised Business Forecast

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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.
- All figures are accumulating totals for the 12 months of fiscal year 2008, unless otherwise indicated.
- Toshiba's fiscal year runs from April 1 to March 31.

Forecast of FY2008 Consolidated Business

(¥ billions)

	Revised Forecast			vs. Forecast as of April, 2008			vs. FY2007 result		
	1H	2H	Year	1H	2H	Year	1H	2H	Year
Net Sales	3,550.0	4,150.0	7,700.0	-250.0	-50.0	-300.0	-139.9	171.8	31.9
Operating Income (loss) %	-30.0 -0.8%	180.0 4.3%	150.0 1.9%	-100.0 -2.6%	-40.0 -0.9%	-140.0 -1.7%	-112.5 -3.0%	24.4 0.4%	-88.1 -1.2%
Income (loss) before income taxes and minority interest %	-70.0 -2.0%	240.0 5.8%	170.0 2.2%	-120.0 -3.3%	30.0 0.8%	-90.0 -1.1%	-146.8 -4.1%	61.2 1.3%	-85.6 -1.1%
Net income (loss) %	-50.0 -1.4%	120.0 2.9%	70.0 0.9%	-65.0 -1.8%	5.0 0.2%	-60.0 -0.7%	-95.7 -2.6%	38.3 0.8%	-57.4 -0.8%

FY2008 Forecast by Segment

(¥ billions)

Net Sales	Revised Forecast			vs. Forecast as of April, 2008			vs. FY2007 results		
	1H	2H	Year	1H	2H	Year	1H	2H	Year
Digital Products	1,410.0	1,550.0	2,960.0	-90.0	-50.0	-140.0	-29.2	38	8.8
Electronic Devices	790.0	870.0	1,660.0	-100.0	-90.0	-190.0	-93.3	14.8	-78.5
Social Infrastructure	1,110.0	1,440.0	2,550.0	0.0	50.0	50.0	23.5	107.5	131
Home Appliances	370.0	400.0	770.0	-30.0	0.0	-30.0	-13.8	9.5	-4.3
Others	170.0	180.0	350.0	-10.0	-40.0	-50.0	-28	-6.6	-34.6
Consolidated Total	3,550.0	4,150.0	7,700.0	-250.0	-50.0	-300.0	-139.9	171.8	31.9

Operating Income	Revised Forecast			vs. Forecast as of April, 2008			vs. FY2007 results		
	1H	2H	Year	1H	2H	Year	1H	2H	Year
Digital Products	17.0	53.0	70.0	-8.0	-8.0	0.0	16.7	38.3	55.0
%	1.2%	3.4%	2.4%	-0.5%	0.6%	0.1%	1.2%	2.4%	1.9%
Electronic Devices	-68.0	3.0	-65.0	-98.0	-52.0	-150.0	-122.0	-17.1	-139.1
%	-8.6%	0.3%	-3.9%	-12.0%	-5.4%	-8.5%	-14.7%	-2.1%	-8.2%
Social Infrastructure	30.0	120.0	150.0	10.0	10.0	20.0	10.0	8.7	18.7
%	2.7%	8.3%	5.9%	0.9%	0.4%	0.7%	0.9%	-0.1%	0.5%
Home Appliances	-8.0	8.0	0.0	-9.0	-1.0	-10.0	-6.8	2.9	-3.9
%	-2.2%	2.0%	0.0%	-2.5%	-0.3%	-1.3%	-1.9%	0.7%	-0.5%
Others	-4.0	-1.0	-5.0	1.0	-1.0	0.0	-13.6	-6.1	-19.7
%	-2.4%	-0.6%	-1.4%	0.4%	-0.6%	-0.1%	-7.2%	-3.3%	-5.2%
Consolidated Total	-30.0	180.0	150.0	-100.0	-40.0	-140.0	-112.5	24.4	-88.1
%	-0.8%	4.3%	1.9%	-2.6%	-0.9%	-1.7%	-3.0%	0.4%	-1.2%

Reasons for Revision

- **Sales and operating income of semiconductors are expected to significantly deteriorate due to price erosion in NAND flash memory and weak demand in semiconductors for digital consumer products.**

Sales: 1,280 billion yen (-220 billion yen below the forecast as of April 25, 2008)

Operating Income: -65 billion yen (-155 billion yen below the forecast as of April 25, 2008)

- **Price erosion of NAND flash memory exceeding estimates**
 - ✓ **Although the market is growing, oversupply drove price erosion beyond estimates**
- **Weak demand of semiconductors for digital consumer products resulting in lower capacity utilization in System LSI 300mm fab.**

Segment Information (Summary)

● Digital Products

The PC business remained buoyant, but the mobile phone business struggled in a Japanese market downsized by a changed sales system. The TV business is progressing as planned. Overall, it is expected to reach the initial forecast as of April, 2008.

● Electronic Devices

The LCD business is going as planned and expected to improve over the same term last year, but significant deterioration in the semiconductor business is expected to notably underperform against the initial forecast.

● Social Infrastructure

Power Systems and Industrial Systems are seeing buoyant conditions. Sales and operating income are expected to surpass the initial forecast.

● Home Appliances

Home appliances are weak overall and expected to fall short of the initial forecast.

Non-Operating Income (loss), FY2008 Forecast

(¥ billions)

	Revised Forecast (A)	Forecast as of April, 2008 (B)	FY2007 result (C)	Difference	
				(A) - (B)	(A) - (C)
Gain on sales of securities	75.0	0.0	32.7	75.0	42.3
Gain on sales of fixed assets	-11.0	-10.0	132.7	-1.0	-143.7
Equity in earnings of affiliates	24.0	20.0	28.0	4.0	-4.0
Foreign exchange gain (loss)	2.0	0.0	-16.9	2.0	18.9
Net financial income (loss)	-13.0	-15.0	-13.0	2.0	0.0
Effect of change in accounting for estimation of salvage value	0.0	0.0	-46.6	0.0	46.6
Cost of withdrawal from the HD DVD business	0.0	0.0	-48.3	0.0	48.3
Cost of withdrawal from the Satellite Digital Multimedia Broadcasting business	-23.0	0.0	0.0	-23.0	-23.0
Others	-34.0	-25.0	-51.1	-9.0	17.1
Non-operating income and expenses (total)	20.0	-30.0	17.5	50.0	2.5

Semiconductor Business, FY2008 Forecast

(¥ billions)

Net Sales	Revised Forecast			vs. Forecast as of April, 2008			vs. FY2007 result		
	1H	2H	Year	1H	2H	Year	1H	2H	Year
Discrete	124.0	131.0	255.0	-16.0	-19.0	-35.0	-0.1	6.5	6.4
System LSI	259.0	236.0	495.0	-4.0	-41.0	-45.0	-60.4	-49.8	-110.2
Memory	227.0	303.0	530.0	-80.0	-60.0	-140.0	-47.7	39.6	-8.1
Semiconductor Total	610.0	670.0	1280.0	-100.0	-120.0	-220.0	-108.2	-3.7	-111.9

Operating Income (loss) %	Revised Forecast			vs. Forecast as of April, 2008			vs. FY2007 result		
	1H	2H	Year	1H	2H	Year	1H	2H	Year
Semiconductor Total	-65.0	0.0	-65.0	-100.0	-55.0	-155.0	-130.1	-23.9	-154.0
	-10.7%	0.0%	-5.1%	-15.6%	-7.0%	-11.1%	-19.8%	-3.5%	-11.5%

Semiconductors: Measures to Improve Performance

- **Thorough cost reduction and implementation of urgent improvement policy**

1. Memory Business

Thorough enhancement of cost competitiveness

- **Solid implementation of 43nm migration**
- **Maximize production efficiency**

2. System LSI Business

Maximize scale of operation and improve profitability

- **Increasing utilization rate of 300mm manufacturing line**
- **Redefine and closely focus on core products**

3. Discrete Business

Establish stable, high profit business

- **Enhance scale of operation, especially in power devices**
- **Further thoroughgoing reduction of fixed costs**

About Dividend

- **Interim Dividend (plan)**

5 yen per share

- **Basic Dividend Policy**

While giving full consideration to such factors as the strategic investments necessary to secure medium- to long-term growth, Toshiba seeks to achieve continuous increases in its actual dividend payments, in line with a payout ratio in the region of 30%, on a consolidated basis.

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