

TOSHIBA

Leading Innovation >>>

***Strategies for Transforming Toshiba into
a Global Leader by Accelerating Our
Global Business Development in
Regional Areas
And Establishing New Highly Profitable Businesses***

**Norio Sasaki
President and CEO**

May 24, 2011

TOSHIBA CORPORATION

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.

We offer our deepest condolences to the families of those who died as a result of The Great East Japan Earthquake and our sympathies to those who continue to suffer from its after-effects and are striving to rebuild their lives

Measures in response to The Great East Japan Earthquake

Supporting the restoration of Japan's social infrastructure

- Steps toward achieving cold shutdown and treatment of tainted water of Fukushima Daiichi Nuclear Power Station
 - Toshiba team of experts formed immediately after the earthquake; devised countermeasures to deal with the emergency situation
 - Supported by a 1,900-member team assembled with the cooperation of Westinghouse and our U.S. partner companies; dispatching 400 Toshiba employees to work at the site on a rotating basis (so far 1,200 engineers and workers have worked at the site)
- ➔ Fukushima Daiichi Total Management Plan proposed to TEPCO
- Recovering generating capacity by restarting damaged or mothballed thermal plants.
 - Making utmost efforts towards recovery of electric power with a 100-member team
 - Recovery of approximately 10,000MW targeted by end of this summer
- Achieving the recovery of devastated T&D systems.
 - Support being provided by 120 Toshiba engineers at substations
 - Shortening time of deliveries of equipment needed for repair work, etc.

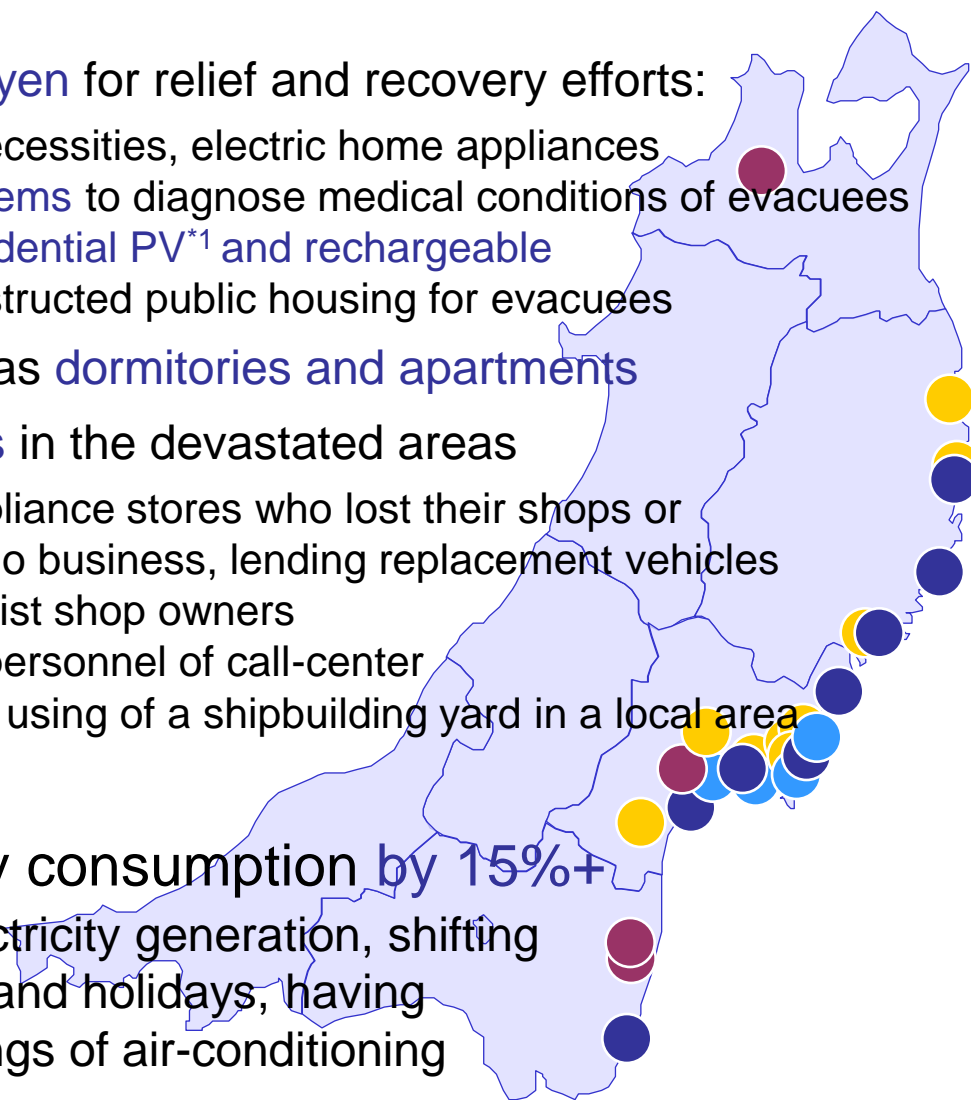
Measures in response to The Great East Japan Earthquake

General support activities

- Donating the equivalent of **1 billion yen** for relief and recovery efforts:
 - Relief supplies, including food, daily necessities, electric home appliances
 - **Small-sized ultrasound diagnostic systems** to diagnose medical conditions of evacuees
 - **Energy-efficient home appliances, residential PV*¹ and rechargeable batteries** for temporary and newly constructed public housing for evacuees
- Supplying company facilities, such as **dormitories and apartments**
- Cooperating in efforts to **create jobs** in the devastated areas
 - Supporting 22 owners of electrical appliance stores who lost their shops or assets by offering places for them to do business, lending replacement vehicles and dispatching support people to assist shop owners
 - Promoting job creation by increasing personnel of call-center
 - Providing 26 fishing boats through the using of a shipbuilding yard in a local area
 - Job support activities

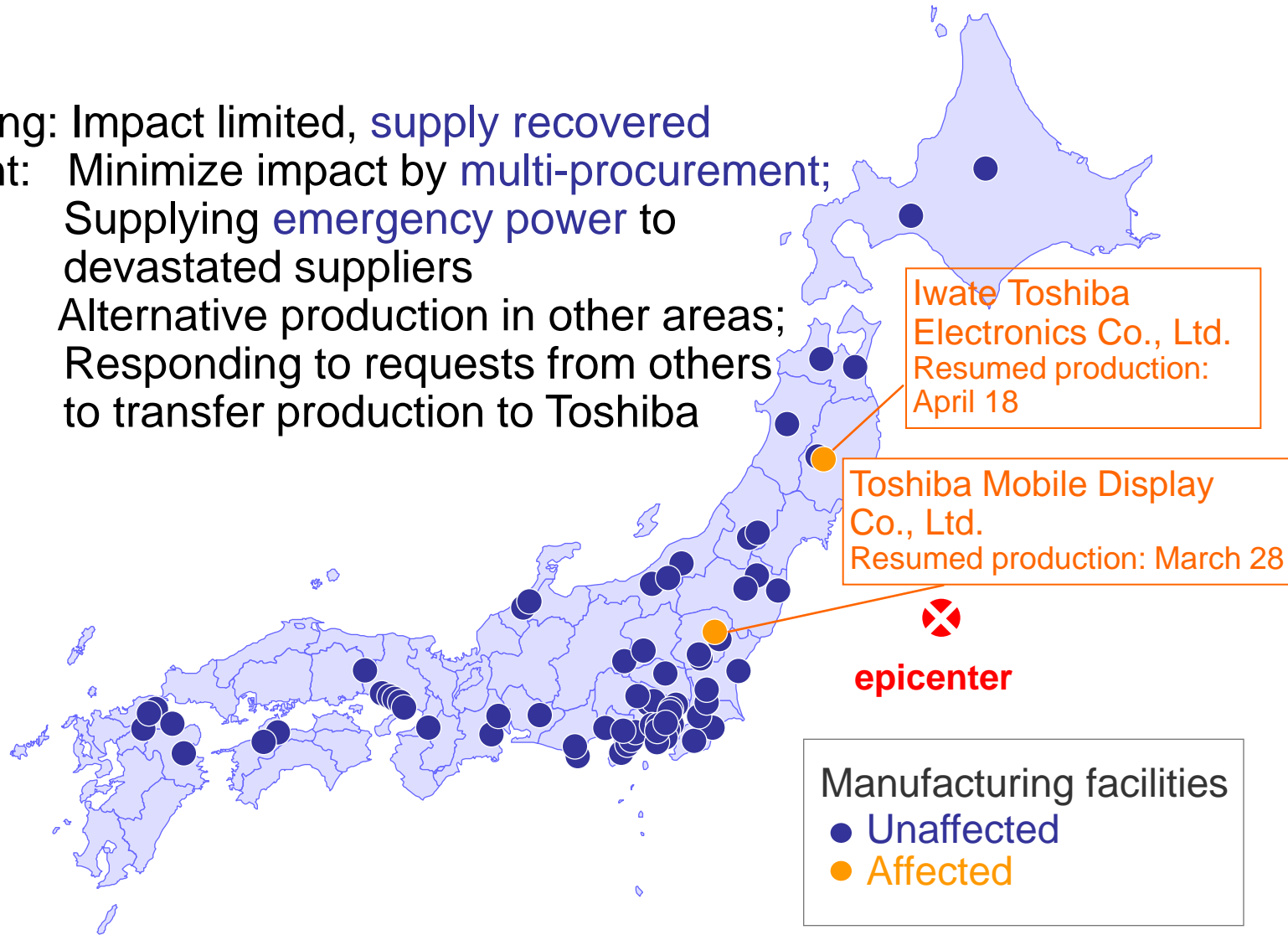
Measures to reduce electricity consumption by **15%+**

- **Making greater** use of in-house electricity generation, shifting manufacturing operations to nights and holidays, having longer holidays, and changing settings of air-conditioning and use of lighting systems



Impact of Earthquake on Toshiba Group

- Manufacturing: Impact limited, supply recovered
- Procurement: Minimize impact by multi-procurement; Supplying emergency power to devastated suppliers
- Supply: Alternative production in other areas; Responding to requests from others to transfer production to Toshiba





> I. Operating Results for FY2010

II. Numerical Targets and Business Strategies

- Mid- to long-term vision and basic strategic policies
- Strategies of each business segment
- Numerical targets
- Strategic management policies

Key Achievements (FY2010)

All business segments generated profit

Digital Products

- PCs: Accumulated global sales of notebook PCs reached **100 million units**; **No.1** in Japan market in annual share *1
- TVs: Achieved profit for **7 consecutive fiscal half-year terms**; Gained 24% market share in Japan *2
- SSDs: Recorded healthy performance (launched products for enterprise use; net sales for mobile use of about five times that of the previous fiscal year)



Electronic Devices

- Recorded **highest profit ever** in Memory business (¥108.7 billion) in FY2010
- Started construction of Fab 5 (July 2010); started mass production of 24nm NAND (August 2010)
- LCD: Operating income **moved into black** in FY2010; **increased profit** by ¥46.2 billion over that of the previous fiscal year



Social Infrastructure

- Received orders from India for 2 sets of thermal power turbines and in the U.S. for pumped-storage hydroelectric power-generation equipment (**one of the world's largest such units**)
- Received overseas orders for electrical equipment and systems for trains; contracts concluded for **a total of 2,000 cars**
- Received total of 7 orders*3 for domestic mega-solar projects; **top market share** in Japan (approximately 36%) *4



Home Appliances

- Healthy performance in white goods, lighting, air-conditioning. Operating income **moved into black** in FY2010
- **No.1** in Japan market annual share in washing machines; recognized by GfK as **leading the market for seven consecutive years**
- Concluded LED-lighting partnership contract with **Louvre Museum in France**



FY2010 Results

Significant improvement in profit –
returning to the profit levels prior to the financial crisis

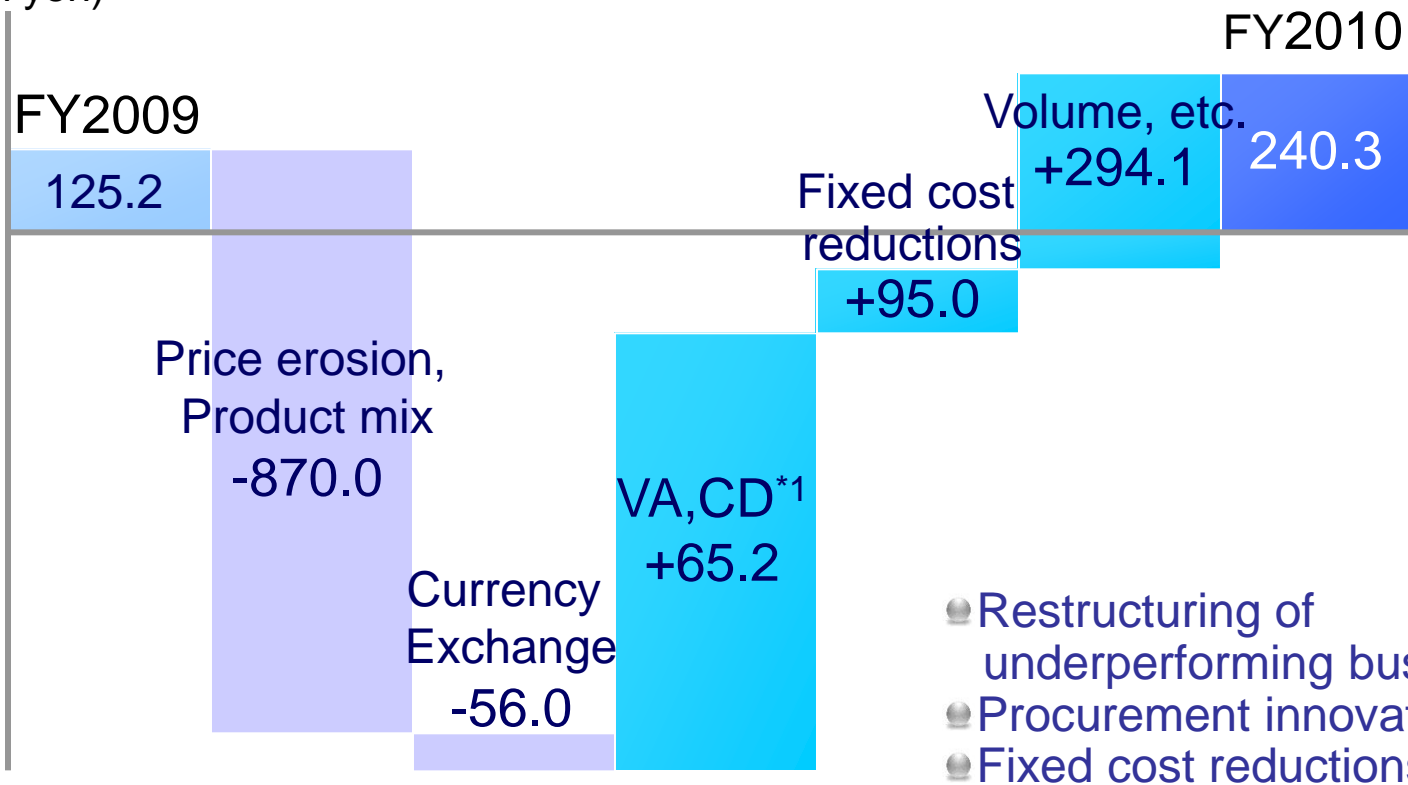
(Unit: billions of yen)

	FY2010	FY2009	vs. FY2009
Net Sales	6,398.5	6,291.2	+107.3
Operating Income	240.3 3.8%	125.2 2.0%	+115.1
Income from continuing operations, before income taxes and noncontrolling interests	195.5 3.1%	34.4 0.5%	+161.1
Net income attributable to shareholders of the Company	137.8 2.2%	-19.7	+157.5
ROI	10%	5%	Improved by 5%
Shareholders' equity ratio	16.1%	14.6%	Improved by 1.5%
Debt-to-equity ratio	125%	153%	Improved by 28%

FY2010 Performance

Improve operating income significantly by strengthening the revenue base

Operating income
(billion yen)



- Restructuring of underperforming businesses
- Procurement innovations
- Fixed cost reductions

I. Operating Results for FY2010

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- Mid- to long-term vision and basic strategic policies
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- Numerical targets
- Strategic management policies



Key Trends Affecting the Business Environment

Emerging economies

Developed economies

Growth

High growth continues
Led by China and India;
2011 GDP growth rate: 6.5% *1

Gradual recovery
2011 GDP growth rate: 2.4% *1

Population

Population and income increases
(Population: 4.2 billion *2)

Aging population, Lower birth rates
(0.6 billion *3)

Economy

Growing concern about inflation
Rising demand for energy

Soaring prices of commodity resources
Expanding demand for electric power

Improved employment rate in the U.S.
Demand for renewal and increase in efficiency of facilities

Finance

Credit Crunch

Risk of foreign exchange fluctuations

European sovereign debt crises

Others

Political uncertainty in Middle East and North Africa

The Great East Japan Earthquake
Fukushima Nuclear Power Station Accident

Creates Business Chances

Energy and food issues

Environment issues

Medical care, Education

Digitalization, Networking, Huge volume of information flow

Mid- to Long Term Vision and Basic Strategic Policies

Transforming Business Structure

Transform Toshiba Group into a top-level diversified electric/electronic manufacturer with strong global competitive power

Restructuring of Businesses

Assure that Toshiba Group has a steady, strong, and highly profitable business structure and sound financial foundation that can withstand rapidly changing economic conditions and market changes

Environmental and CSR Management

Establish position as one of the foremost eco-companies in the world and contribute to the future of a sustainable Planet Earth

Digital Products

- TV/PC business integration in April → Create fusion products and services
- Accelerate and streamline businesses in emerging economy markets through regionally-based organizations and closer collaboration with Home Appliances businesses



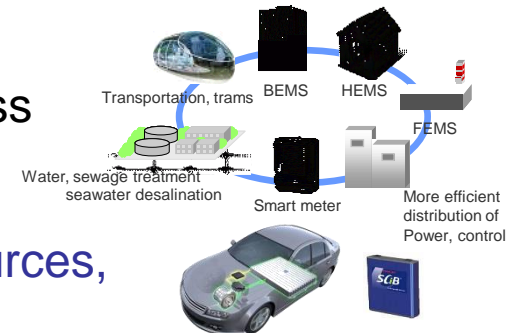
Electronic Devices

- Split up System LSI business in January → Selectively concentrating on certain products; accelerate fabless, fablight business; Focus on analog chips and image sensors; Expand foundry business for leading-edge SoCs*1; Specialize in designing leading-edge devices;



Social Infrastructure

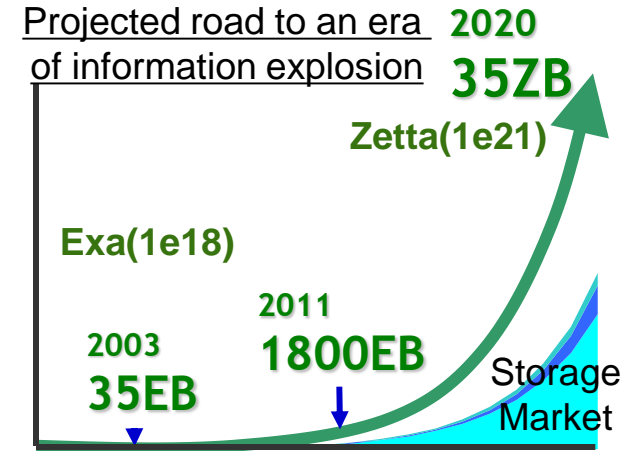
- Enhanced structure of Smart Community and T&D*2 business in April
- Strengthen power electronics*3-related business in April → Speed up decision-making, more effectively use of resources, speed up overseas operations



Enhance products and accelerate next-generation development

Strengthen products that are market leaders

- Lead in advanced process generation
 - 19nm products: start sample production in April 2011 and mass production in July 2011
- Post-NAND memory chips
 - BiCS*1
 - Basic development of next-next generation 3D memory in process
- Enhance SSD's competitiveness
 - eSSD 3 models (2011)
 - Concentrate know-how by integrated development with HDD



Efficient investment that supports business growth

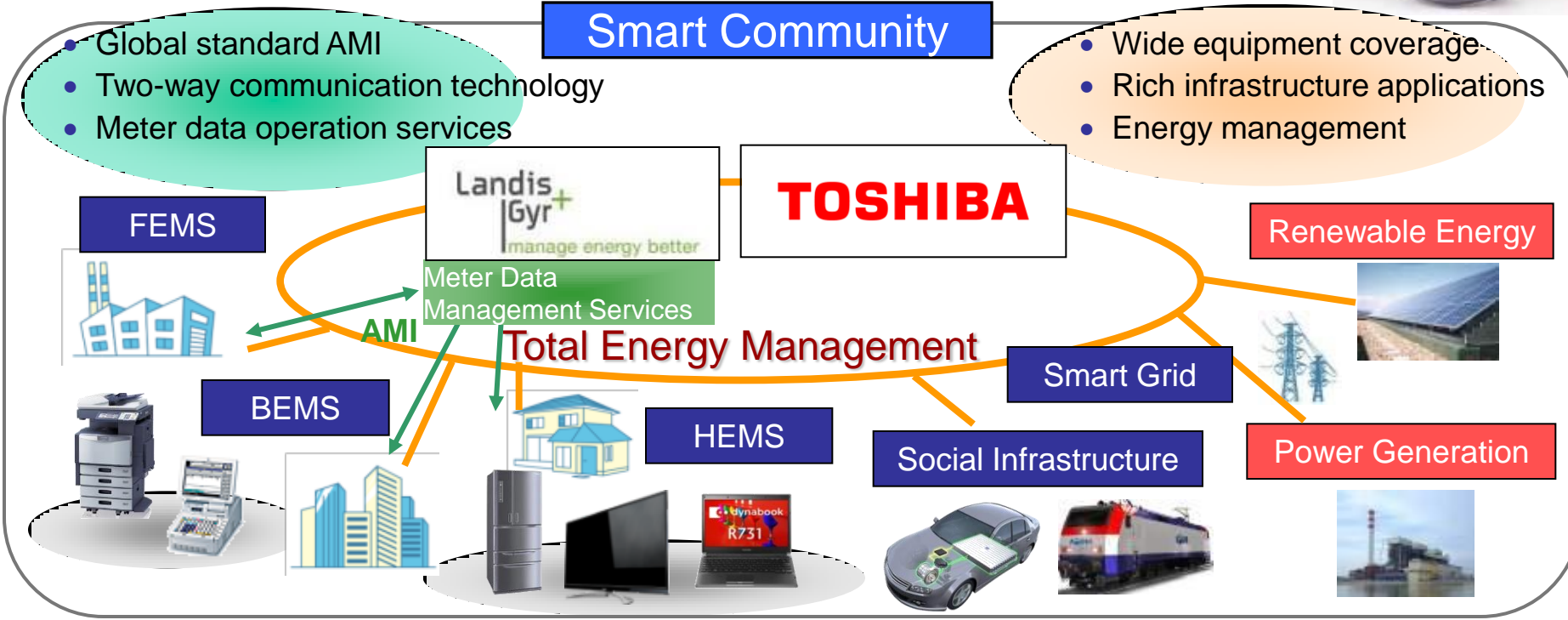
- Achieved efficient throughput increase by accelerating advanced process
- Increase production at Fab 5*2 (shipments start in August)



Becoming the world leader by horizontally integrating our Power-generation and Smart Grid businesses

Acquisition of Landis+Gyr

- Global leader in AMI*1 business, indispensable for Smart Grids (Operates business in more than 30 countries; owns the world's No.1 share - 36% worldwide market share in smart power meters)



Realize environmentally friendly society by application of our core technologies for reducing the environmental load

Launching of EV Powertrain and other key new products through bundling with super-rechargeable battery technologies

SCiB



- Rapid charge (Cell: 80% in 5 minutes)
- Functions in low temperatures (in -30 degree Celsius)
- Long-operating life (more than 10 years)

High-Efficiency Motors



In-car use motor



PMSM*1

- PMSM: High efficiency (97%)
Low noise (-12dBA)
Power consumption (- 20%)

High-Efficiency Inverters



Main current converter for train cars

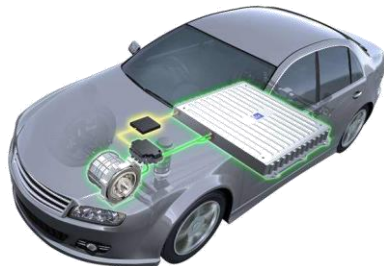


Inverter for in-car use

- Inverter for in-car use: achieves maximum 99% high efficiency by applying SiC



Stationary Type Rechargeable Battery System



EV Powertrain



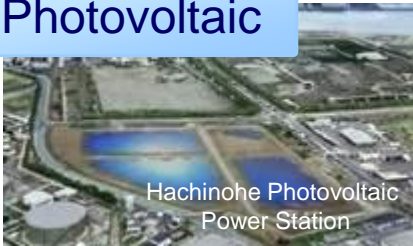
PCS for Photovoltaic System



Hybrid-Locomotive, etc

Contribute to global environment with low-carbon power-generation technology

Photovoltaic



- Enhance our leading position, making use of our world-leading efficiency of 98.1% (500kW basis) PCS*1
- Expand global business linked with Smart Grids
- Expand experiences of mega-solar projects for domestic utilities to industrial use

Hydro



- Promote global business; ship to each country from our manufacturing facility in China
- For strong emerging economy markets; further develop business by strategic products, such as low-head, large-capacity machines
- Cover peak demand by applying our world-leading pumped-storage hydroelectric power-generation technologies (high head, new adjustable pumped-storage)*2

Geothermal and Solar



- Received order for Te Mihi power station in New Zealand (April)
- Expand sales for emerging economy markets with the world's No.1 share*3 in geothermal equipment; promote use of turbine technologies for solar power

Wind

- Strategic business alliance with Korean wind turbine manufacturer Unison*4 (signed MOU); enter into wind generation market; co-develop and market direct drive and high efficiency windmills

Accelerating Expanding Business Areas

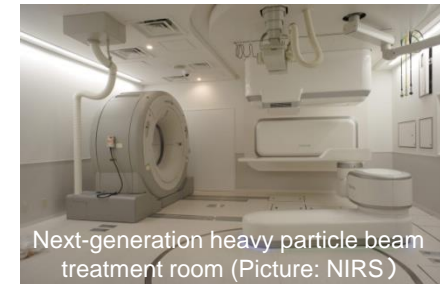
Diagnosis Area

- TOB for Vital Images, Inc. in US*1
 - Enhance medical image solutions business; manifest synergy between device and IT
- 160-detector row helical scan-CT, with high image quality and low radiation dose
- Superior cost performance 16-row CT; expand sales in emerging countries



Medical Treatment Area

- Large-bore-diameter CT: support irradiation treatment result through high-accuracy positioning
- Next-generation heavy particle beam irradiation equipment for cancer treatment: supplied to NIRS*2 in March 2011



DNA Chip

- Toshiba HPV*3 -type DNA detecting chip: First such chip whose uses are covered by Japanese health insurance (May 2011)
- Expand to new market areas, including applications in agricultural products, identifying persons and quarantine purposes

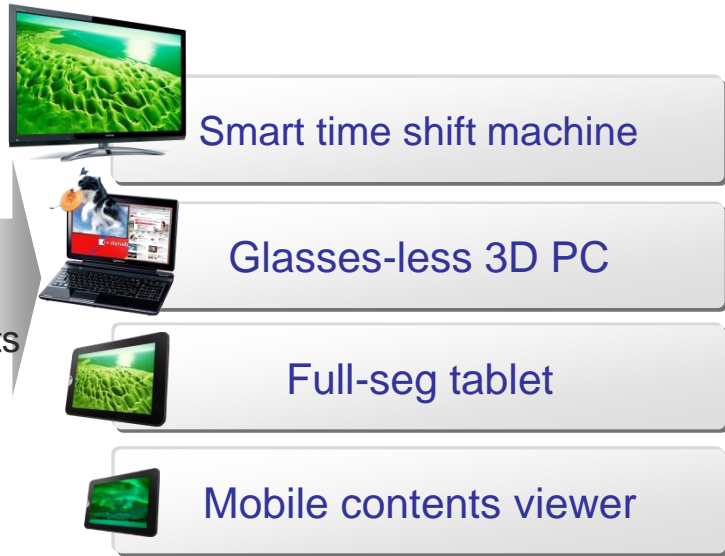
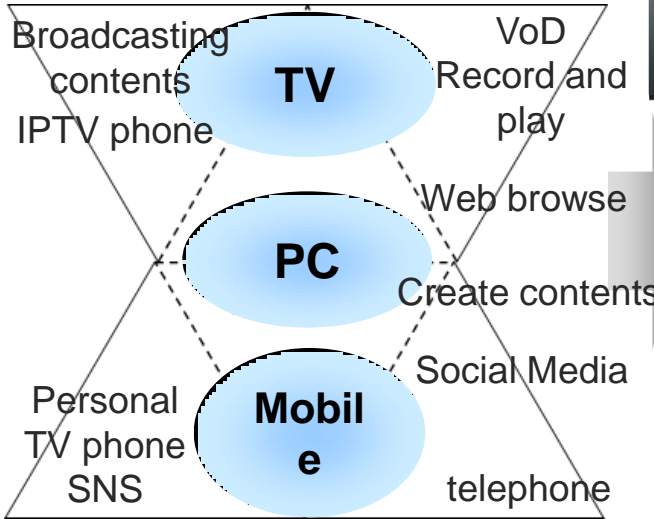


DNA chip

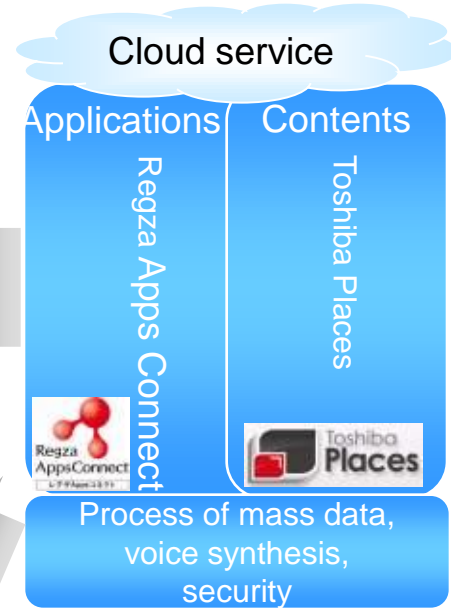
Enhance fusion products and services by maximizing synergy

Common platform
"Smart X"

- Deliver devices seamlessly in line with users' situations
- Integrate technologies, components, products and services crossing the borders of each category



* Launch from July



BtoB business
new development

- Expand new business in Retail, Office, Education and Nursing applications

Next generation POS, KIOSK devices

Digital Signage

Restructure system LSI business in response to market changes

Promote fabless business

- Outsourcing ratio for 300mm SoC: 50% (2011) → over 80% (2013)

Strengthen profit basis of image sensors and analog chips

- CMOS image sensors: Expand adoption for smartphones and digital cameras
 - Take advantage of 300mm mass production for BSI*¹ markets, Target global market share of 30% (2013)
 - Establish a new company for camera modules in China (June)*²
- Improve manufacturing efficiency (analog, microcontrollers)
 - Specialize production for high profitable products; halve number of products
 - Promote production of larger diameter wafers (6-inch(200mm) → 8-inch(300mm))

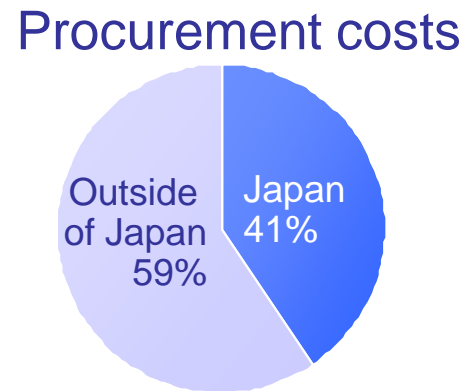
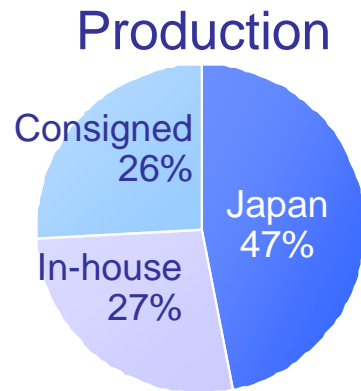
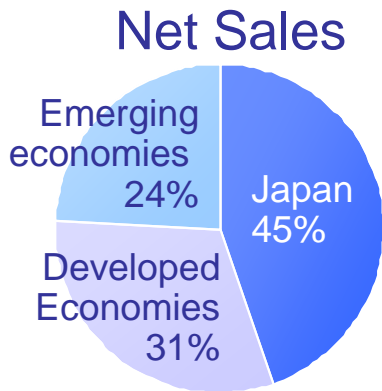


14M-pixel BSI Sensor Chip

Continuing stable business by optimizing production, procurement and sales

FY2010

- Improve response capability to fluctuations in exchange rates
- Strengthen Cost Competitiveness



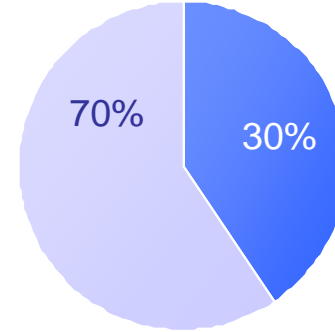
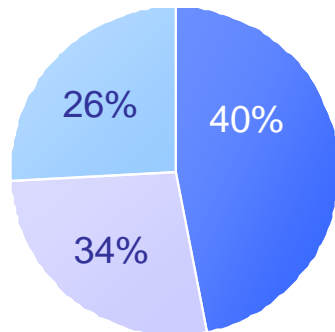
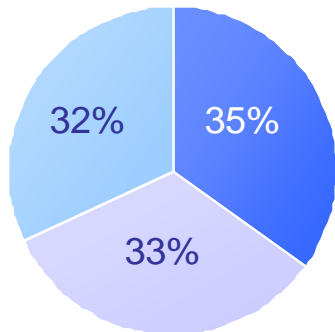
Expand business in emerging economy markets

Optimize Japanese and overseas production bases

Expand overseas procurement

FY2013

- Improve coping with exchange rate fluctuations, cost competitiveness and BCP readiness



Achieve optimum balance based on the characteristics of each business

Strategies of each business segment



Digital Products Business

Towards becoming a global leader by world's first, No.1 and regionally-matched products

FY2013: LCD TVs, Notebook PCs: Sales of 60 million units, 10% market share
(LCD TVs: 25 million units; Notebook PCs: 35 million units)

World's first, No.1 products

- TVs: Large size*1 glasses-less 3D TV (2011/second half)
- PCs: Simultaneously display 3D and 2D (July 2011)



Regionally-matched products

- Strengthen area marketing and deliver products that meet area characteristics
 - Establish design centers in Indonesia, Vietnam and India in July
 - Battery-backup "Power TV" (Asia: second half of 2011), dust-proof PCs (Asia: April 2011)



POWER TV

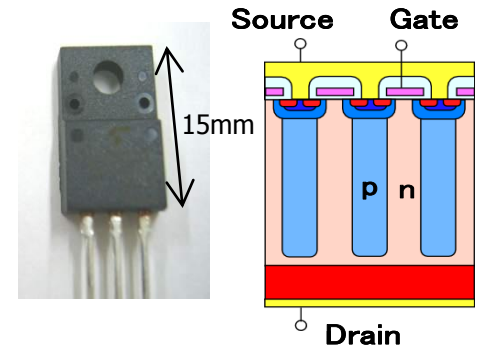
Expansion in emerging economies

- Establish local subsidiary in Philippines (April 2011), South America, and Africa (establish both during FY2011)
- Expansion of advertising and promotion in four focused countries (Indonesia, Vietnam, India and China)
 - Effective use of regional brand ambassadors

Launch of high-performance products for growing markets and shift to the world's top market share business

Power Devices

- Aim top share (2012) with high efficiency (lowest in resistance)
- Accelerate entrance into new markets
 - SiC*1 Enter transportation and automotive markets with eco-inverter
 - GaN*2 Introduce super small power source for mobile equipment market



Backside insulation-type SJ MOSFET

LCD

- Establish new fab for 5.5 generation panels for smartphones
 - Started construction in March 2011
 - Start up operations in April 2012
- World's highest LTPS*3 technology for mobile applications
 - Lead by super-high-resolution: 330ppi → 400ppi
 - Thinner, lighter and minimal natural-light reflection smartphones by using integrated in-cell touch panel technology



Accelerating global business development

Thermal Power

- Expand high-efficiency coal-fired power-generation business areas
 - Started up a new steam turbine/generator manufacturing facility in India (January)
 - Promote collaboration with The Babcock & Wilcox Company (signed MOU in May)
 - Promote package supply of BTG*1
- Enhance sales of combined-cycle power-generation facilities
 - Promote sales in global markets through combined leading-edge gas turbines and high-efficiency steam turbines/generators
 - Grow business of world-leading high-efficiency thermal plants in global markets



New factory in India



Combined-cycle generation



Advanced site-assembly three-phase transformers

T&D

- Acquired Italian Ansaldo T&D*2 (March)
 - Expand T&D, HVDC*3 and PV power-generating businesses in European and North African markets
- Established bases for expanding business for markets in emerging economies
 - Brazil (April), Malaysia (June), India (August)

Planning measures for increasing the safety of nuclear power

- Planning measures for stabilization and “greenfielding” of the Fukushima Daiichi Nuclear Power Station
 - Short-term: Implement new cooling system, successfully treat highly radioactive water, mitigation of the spread of radioactive substances, etc.
 - Mid- to long-term: Defueling, total decommissioning, waste storage, etc.
- Support for urgent, permanent safety measures for existing plants
 - Secure power and cooling system in emergency;
Strengthen earthquake/tsunami countermeasures
 - Upgrade plants in line with worldwide re-examination of safety standards for nuclear plants
- Promote research and development of a next-generation reactor that will have even higher safety

Nuclear Energy Business

Promote sales activities by paying attention to each country's needs

Market forecast

- Worldwide energy demand still continues to grow
- Temporary delays to allow for re-examinations of safety standards of new plant construction plans

Customers' situation

China

Construction of AP1000 (4 units) is progressing as planned

U.S.A.

Continuing pre-construction for AP1000 units;
continuing licensing application for ABWR units

Europe

Continuing pre-engineering in Finland, UK, etc.

Emerging economies

Continuing new construction plans in Turkey and Vietnam

FY2015 Target: 39 units, net sales of ¥1.0 trillion*¹

→ Achievement may be a couple of years later.

Home Appliances Businesses

Expand overseas net sales by regionally-matched products

Japan

- Launch energy-saving products (refrigerators, washing machines, total 26 types) → increase net sales 6% (market growth 2%)*¹ for White Goods
- Increase manufacturing capability of COB*² → increase net sales of LED lighting 107% (market growth 64%)



Outside of Japan Sales CAGR 15% (2010-2013)

- Raise production capacity of refrigerators and washing machines (China, Thailand, etc. from October)
- Enhance sales in emerging economy markets through merged sales force for White Goods and Digital Products (10 bases by the end of FY2011)
- Create regionally-based products that match regional needs; new design centers established in China and Singapore (October, 2010)
- Launch new air-conditioners that meet housing conditions, functions and price needs in China, India and the ASEAN countries
(Floor space 43% reduced, low cost and middle-sized air conditioners)



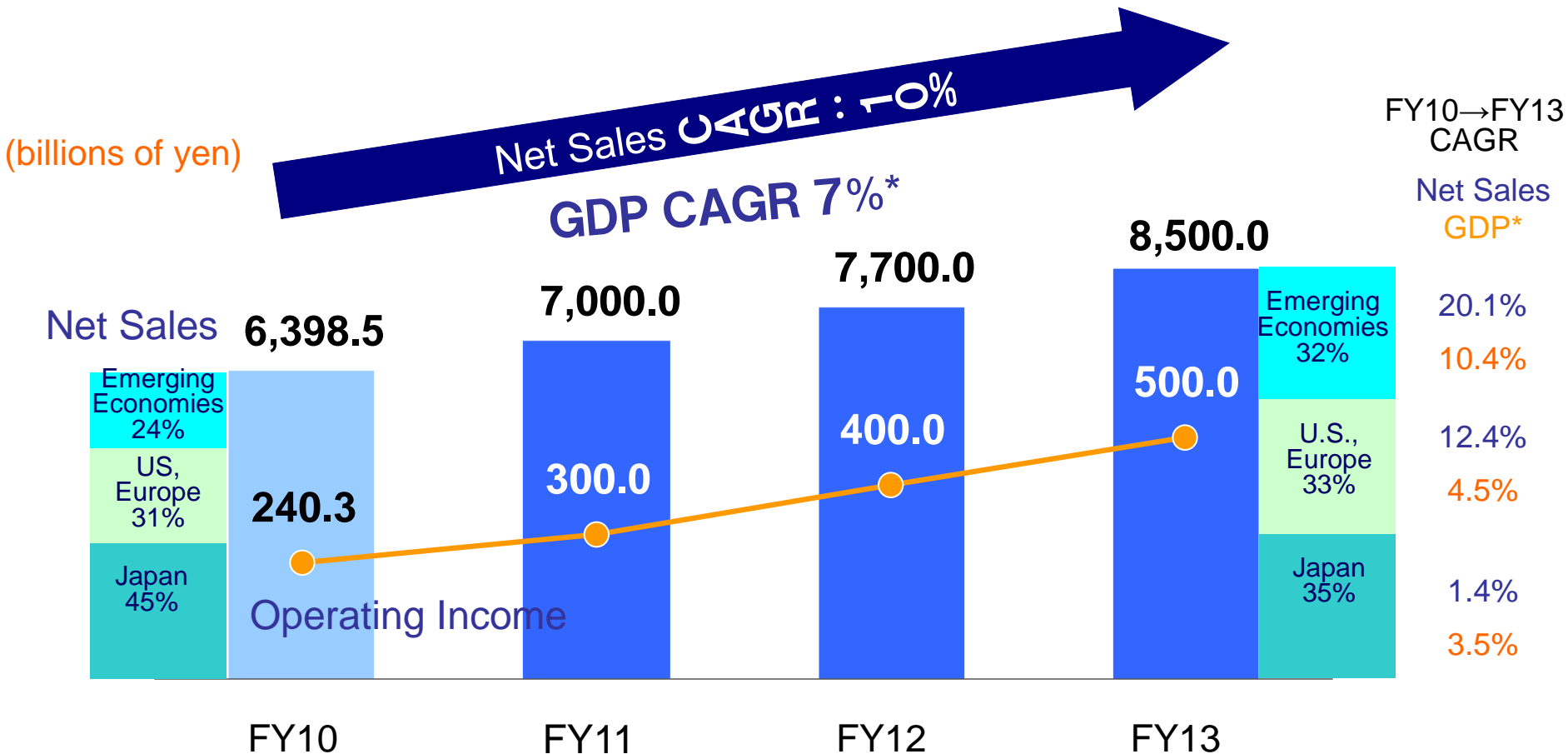
Numerical targets



Numerical Targets

Strengthen sales outside Japan to achieve double-digit growth

Increase ratio of sales outside of Japan: 55% → 65% (FY10 to FY13)



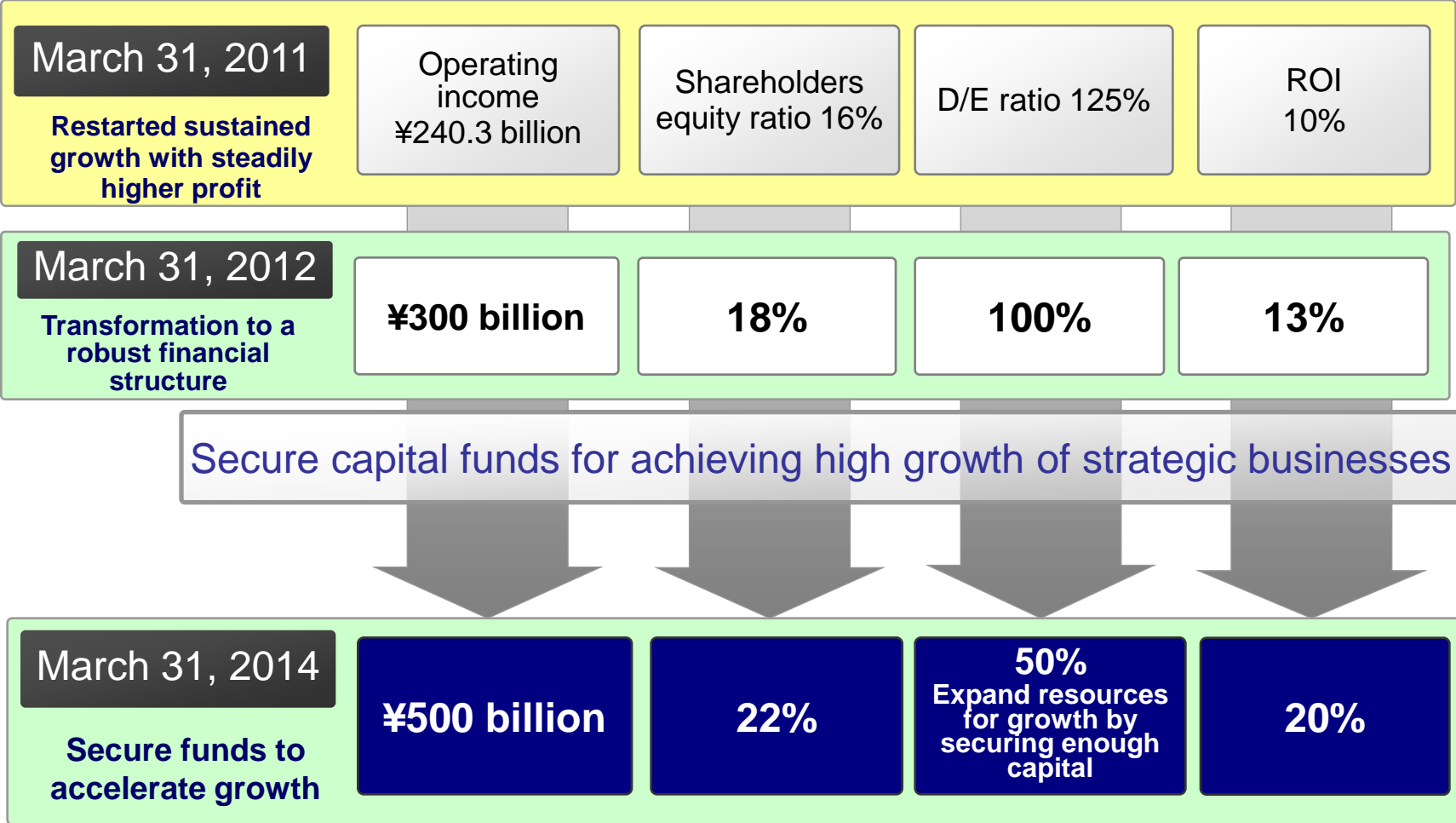
Business Plan by Business Segment

(Unit: billions of yen)

		FY2010 Result	FY2011 Forecast	FY2013 Plan	CAGR FY11-13
Digital Products	Net Sales	2328.6	2550.0	3100.0	10%
	Operating Income	13.2	20.0	40.0	
Electronic Devices	Net Sales	1347.7	1450.0	1850.0	13%
	Operating Income	86.8	140.0	270.0	
Social Infrastructure	Net Sales	2267.7	2500.0	3000.0	10%
	Operating Income	137.1	150.0	200.0	
Home Appliances	Net Sales	599.8	650.0	700.0	4%
	Operating Income	8.8	10.0	15.0	

Financial Targets Emphasizing Profitability toward FY2013

Establishing a financial base that combines both growth and soundness



Investment and R&D Expenditure

Accelerate business structure transformation by prioritizing investment to new and growing business areas

Capex, investment & loans

R&D expenditures

Utilize ¥700 billion of our improved assets and shiftable funds for making appropriate new investments

Increase global competitiveness in focus businesses and generate new profit base

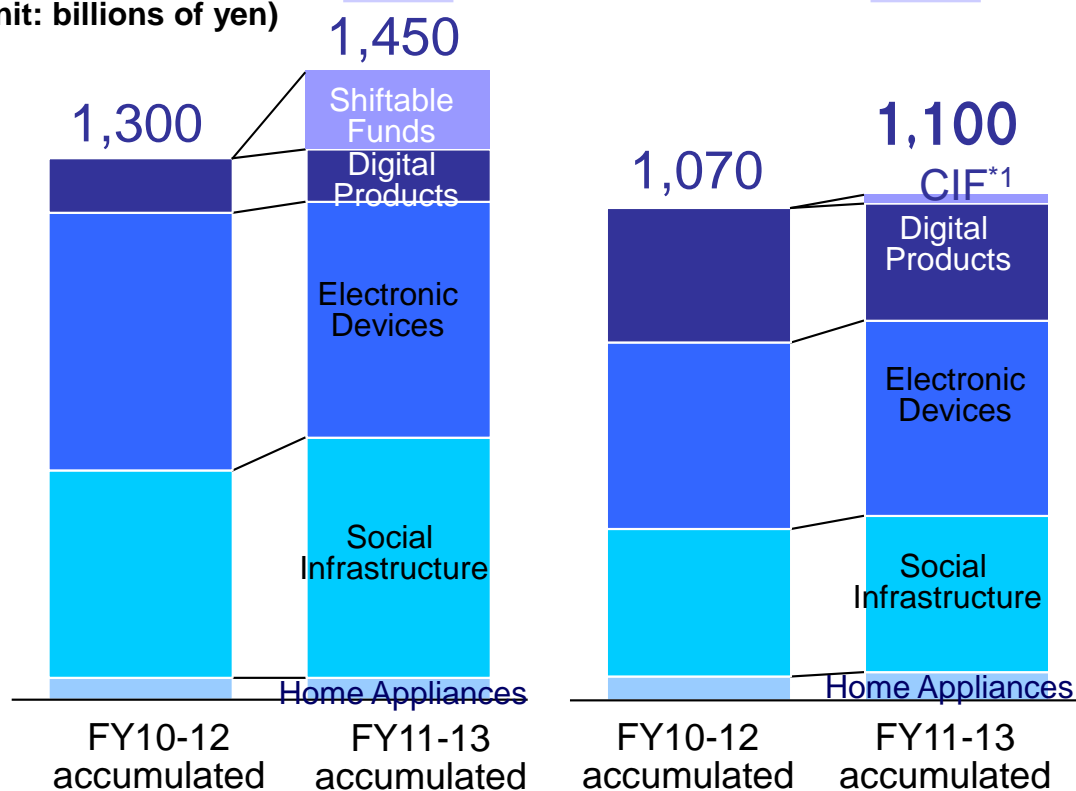
Increase production of enterprise-use SSD and HDD storage

Promote finer lithography for NAND flash memory

Increase production of super-rechargeable batteries to meet demand for EVs, Smart-Grid applications

Increase production of models for emerging economies

(Unit: billions of yen)



Strategic management policies



Aiming to be a global leader

Allocate resources to strategic business areas

Continue to accelerate globalization

**Set up ambitious goals for innovation
and speed its pace**

Push forward with CSR management

Strategic Policies for Becoming a Global Leader

Aiming to be a global leader by overcoming challenges of the business environment



Accelerating Deployment of Global Business Resources

From 'emphasis on diversity' stems the 'source of competitive advantage'

Globalizing business
Overseas sales ratio
Overseas employees

FY2010 → FY2013
55% → 65%
82,000 → 101,000



Transforming into an organization that maximizes diversity

Deploy non-Japanese management to local top

All consolidated overseas Group companies 297 companies*1

Japanese top management: 164 companies (55%)
Non-Japanese top management: 133 companies (45%)

- Unify our global personnel assessment system
- Deploy personnel that are the best matches for local markets

Training programs for non-Japanese human resources

No. of participants: 265

Management Programs for Non-Japanese: 163
Global joint training programs: 102
08-10 total

- Share common values
- Establish Toshiba's common language for business

Increase recruitment of non-Japanese employees

Double recruitment

2010: 280
2013: 550
Fiscal year

- Move forward with direct recruiting from overseas universities
- Increase number of countries for conducting overseas recruitment

Further Speed Up the Pace of Innovation

Developing the technologies and products that will create an exciting and satisfying future for society through powerful innovation efforts

Higher functions

World's first, high-resolution Glasses-less 3D LCD TVs

1960
Japan's first color TV



REGZA



Eco-function

Able to watch TV during peak-load electricity hours, when TV switches to battery power

High-resolution, superlative sound quality, application expandability
Slate-type tablet

1985
World's first Laptop PC



dynabook



Peak-shift function on new lineup of PCs; seven types, 33 models

Used on Tokyo Metro Ginza subway line:
Energy-saving, high-power PMSM*1

1895
Japan's first Induction motors



PMSM



Automobile



General purpose

High-efficiency, energy-saving, low-noise, high-reliability

CSR Management

Acting with unwavering integrity

Sincerity toward society

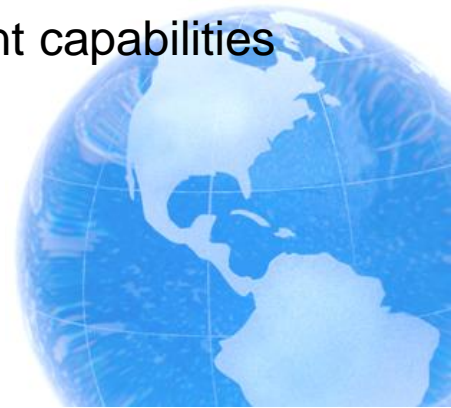
- Contributing to Japan's recovery through our business activities
- Contributing to achieving a sustainable future world by reducing our impact on the environment
- Each one of us must show sound judgment and act as responsible members of society

Sound management and financial structure

- Strengthening business continuity planning and management capabilities



Towards being a company that is trusted
and admired all over the world



Expanding Business through Environmental Management

Contribute to society through strength of our low-carbon technologies

Greening of Processes

Total greenhouse gases reduced down to less than 60%

- Cut 15% of peak-load electricity use (continue over the medium term)
- Using high-efficiency lighting; improving air-conditioning efficiency

Greening of Product

Reduce CO₂ emissions by 34.8 million tons/year

- Increase contribution by environmentally friendly products
 - TVs, PCs with “peak-shift function” *1
 - Eco-chip for zero standby power
 - Promoting LED lighting systems



REGZA

Greening by Technology

Reduce CO₂ emission by 710 million tons/year

- Contribute by leading-edge low-carbon technologies
 - Renewable energy
- Propose most suitable low-carbon power-generation, and T&D systems to fit each country's needs

Green Management

Promote Basic Corporate Activity
(Communication, Human Resource Development)

**Committed to People,
Committed to the Future. TOSHIBA**

**Contributing to Japan's recovery
Accelerating global business
development in regional areas
Aiming to be a global leader**

TOSHIBA

Leading Innovation >>>