

# **TOSHIBA**

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# **FY2011 First Quarter Consolidated Business Results**

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Corporate Executive Vice President  
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**July 28, 2011**

# Forward-looking Statements

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- This presentation contains forward-looking statements concerning Toshiba Group'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.
- Toshiba's fiscal year runs from April 1 to March 31.
- All figures are consolidated totals for the first 3 months of fiscal year 2011, unless otherwise indicated.
- The Group changed the structure of its internal organization at the beginning of FY2011. Figures for FY2011 and prior-period data relating to the consolidated segment information have been reclassified to conform with the current classification, but do not reflect the Group's July 1, 2011 reorganization.

## Key Points of FY2011 1Q

- **Net sales decreased YoY\*, affected mainly by yen appreciation and also by the impact of the Great East Japan Earthquake.**
  - **Net Sales: 1,326.1 billion yen (YoY: -125.3 billion yen, -8.6%)**
- **Operating income, decreased due to yen appreciation and the effects of the earthquake, but remained in surplus. Net income was at the same level as a year earlier.**
  - **Operating income: 4.1 billion yen (YoY: -29.7 billion yen)**
  - **Income before income taxes and noncontrolling interests: 3.1 billion yen (YoY: -6.9 billion yen)**
  - **Net income: 0.5 billion yen (YoY: ±0 billion yen)**
- **The D/E ratio improved by 19% from the same period last year, interest-bearing debt was at the same level.**
  - **D/E ratio 137% (YoY: -19%)**
  - **Interest-bearing debt 1,157.9 billion yen (YoY: -2.6 billion yen)**

\* YoY: year-on-year comparison

# FY2011 1Q Overall, year-on-year

(¥ billions, except earnings (losses) per share)

	FY11/1Q	FY10/1Q	Difference
			vs. FY10/1Q
Net Sales	1,326.1	1,451.4	-125.3
Operating Income (loss)	4.1	33.8	-29.7
%	0.3%	2.3%	
Income (loss) from continuing operations, before income taxes and noncontrolling interests	3.1	10.0	-6.9
%	0.2%	0.7%	
Net Income (loss)*	0.5	0.5	0
%	0.0%	0.0%	
Earnings (losses) per share attributable to shareholders of the Company**	¥0.11	¥0.11	0

\* "Net income (loss)" refers to Net income (loss) attributable to shareholders of the Company hereinafter.

\*\* "the Company" refers to Toshiba Corporation hereinafter.

# FY2011 1Q by Segment, year-on-year

(¥ billions)

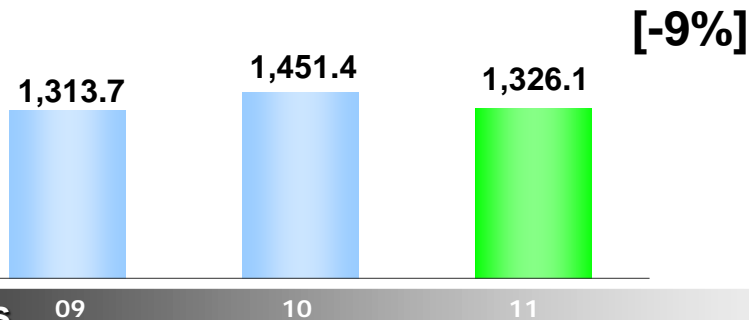
Net Sales	FY11/1Q	FY10/1Q	Difference
			vs. FY10/1Q
Digital Products	522.0	582.2	-60.2
Electronic Devices	268.4	332.0	-63.6
Social Infrastructure	426.9	438.9	-12.0
Home Appliances	149.5	138.5	11.0
Others	77.6	81.4	-3.8
Total	1,326.1	1,451.4	-125.3

Operating Income (loss)	FY11/1Q	FY10/1Q	Difference
			vs. FY10/1Q
Digital Products	0.0	10.6	-10.6
%	0.0%	1.8%	-1.8%
Electronic Devices	4.3	27.0	-22.7
%	1.6%	8.1%	-6.5%
Social Infrastructure	-3.2	-2.5	-0.7
%	-0.8%	-0.6%	-0.2%
Home Appliances	1.1	-1.2	2.3
%	0.8%	-0.9%	1.7%
Others	1.0	-0.3	1.3
%	1.3%	-0.3%	1.6%
Total	4.1	33.8	-29.7
%	0.3%	2.3%	-2.0%

# Overview, FY2011 1Q Results

(¥ billions)

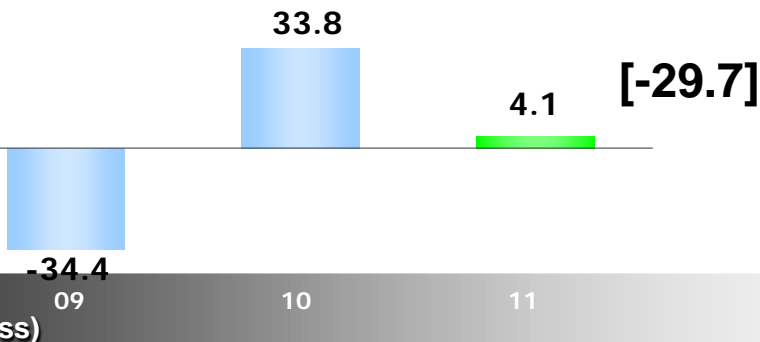
[ ] = Year-on-year comparison



## Lower Sales

Higher sales in Home Appliances and lower sales in Digital Products, Electronic Devices and Social Infrastructure. Overall net sales were lower.

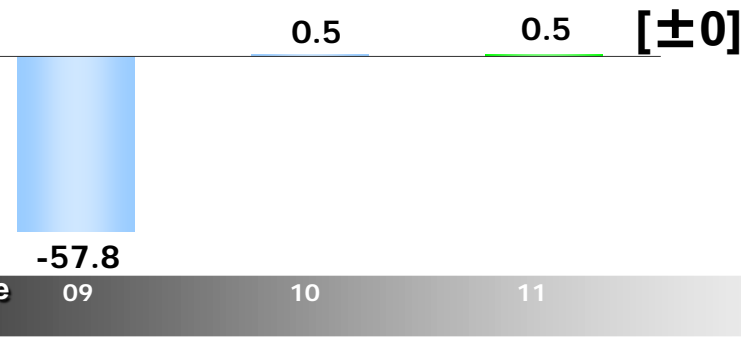
Net Sales 09 10 11



## Lower Operating income

Operating income increased in Home Appliances, almost unchanged in Social Infrastructure, but decreased in Digital Products and Electronic Devices. Overall operating income decreased.

Operating Income (loss) 09 10 11



## Unchanged

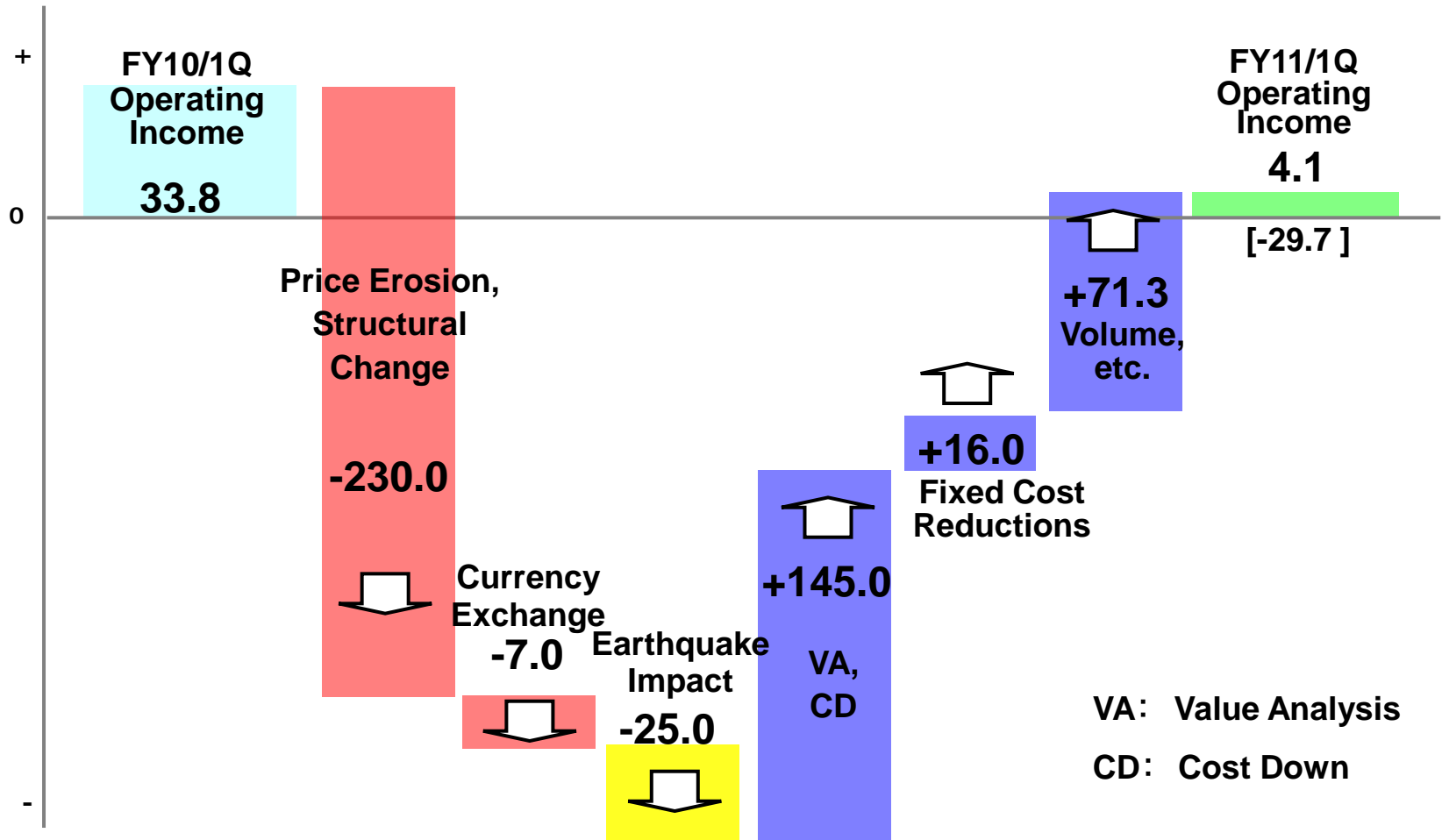
Though income from continuing operations, before income taxes and noncontrolling interests declined, net income was unchanged from a year ago and remained in profit.

Net Income (loss) 09 10 11

# Operating Income (Loss) Analysis, FY2011 1Q

(¥ billions)

[ ] = Year-on-year comparison



VA: Value Analysis  
CD: Cost Down

# Impact of the Earthquake

(¥ billions)

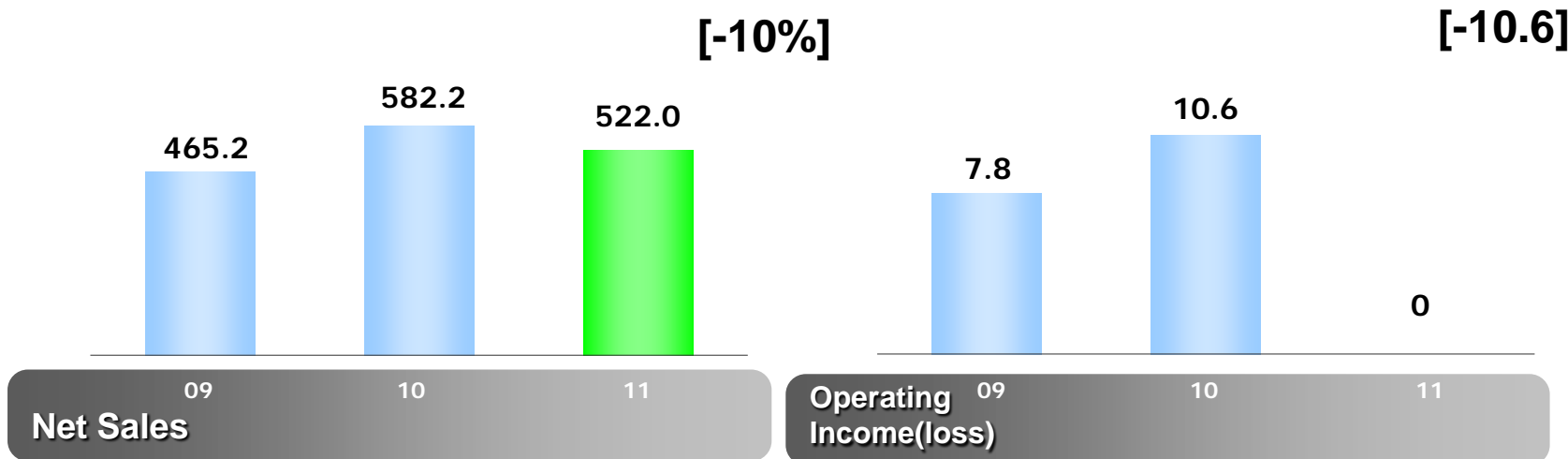
	<b>Net Sales</b>	<b>Operating Income (loss)</b>
1) Impact of component shortages on production	<b>-13.0</b>	<b>-4.0</b>
2) Production halt due to damaged manufacturing facility	<b>-17.0</b>	<b>-6.0</b>
3) Loss of sales to customers impacted by the earthquake	<b>-60.0</b>	<b>-15.0</b>
<b>Total</b>	<b>-90.0</b>	<b>-25.0</b>



# Digital Products, FY2011 1Q

(¥ billions)

[ ] = Year-on-year comparison



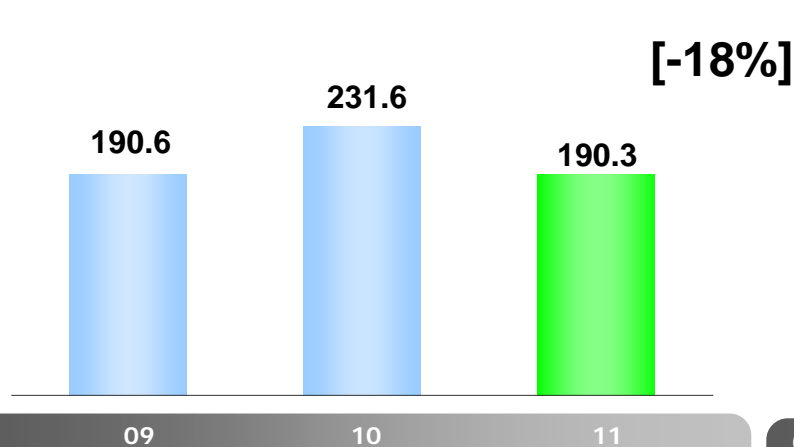
■ Sales felt the impact of yen appreciation, sluggish LCD TV and PC performances in Europe and the US, and the end of Japan's eco-point program. Lower sales in the optical disk drive business.

■ Lower sales in LCD TVs and optical disk drives lowered segment operating income.

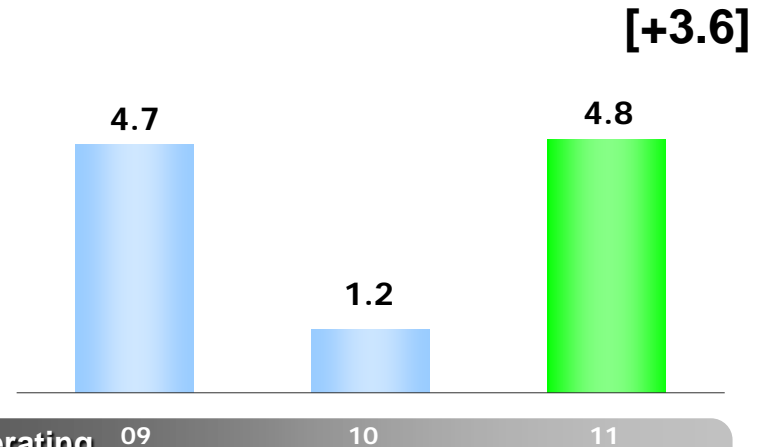
# PC Business, FY2011 1Q

(¥ billions)

[ ] = Year-on-year comparison



Net Sales



Operating Income (loss)

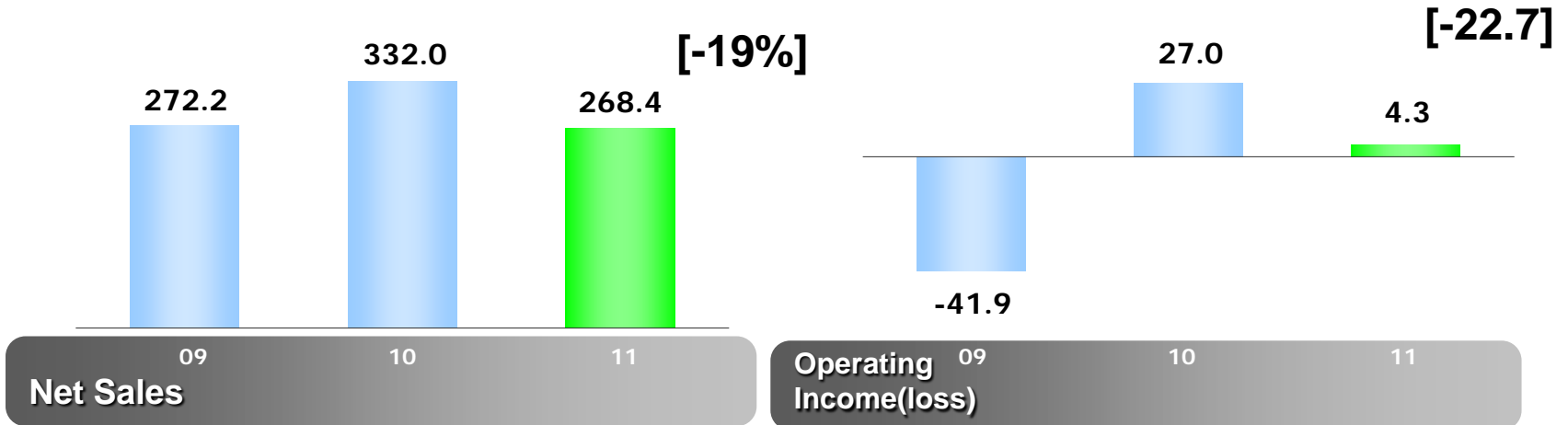
■ A healthy performance in Japan, but the impact of yen appreciation resulted in a sales decrease.

■ Higher operating income on a healthy performance in Japan and intensive cost reduction measures.

# Electronic Devices, FY2011 1Q

(¥ billions)

[ ] = Year-on-year comparison



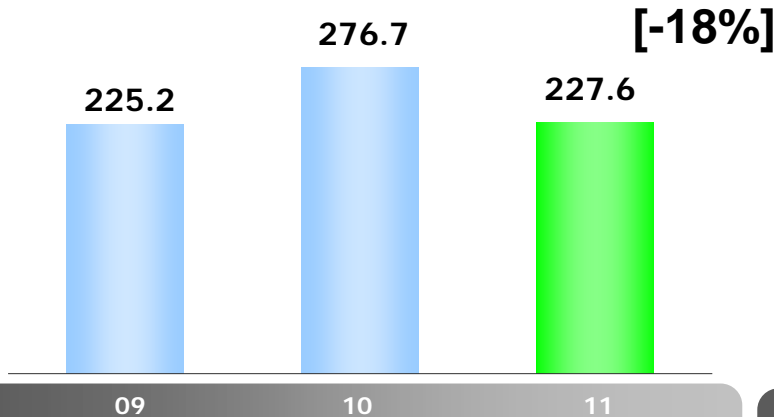
■ Lower segment sales reflecting yen appreciation and the effects of the earthquake.

■ Operating income decreased as System LSI results were affected by yen appreciation and the earthquake.

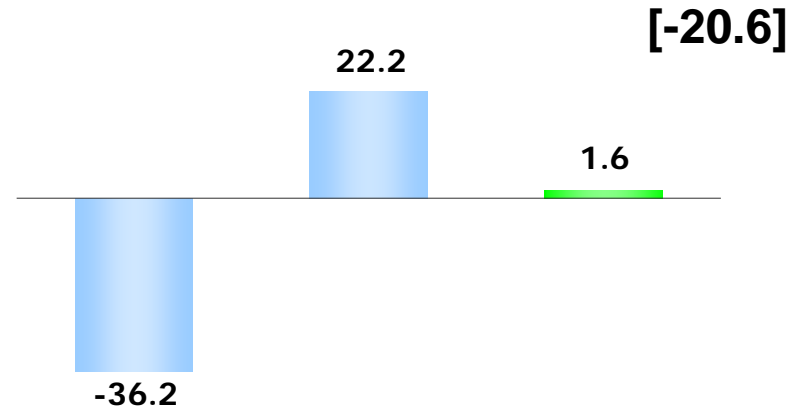
# Semiconductor Business, FY2011 1Q

(¥ billions)

[ ] = Year-on-year comparison



Net Sales



Operating Income(loss)

■ NAND flash memory demand was firm but yen appreciation lowered sales. System LSI performance was undercut by the impact of the earthquake on a manufacturing subsidiary.

■ NAND flash memories secured profit despite yen appreciation and price erosion, but the impact of the earthquake on System LSIs resulted in lower overall operating income.

# Semiconductor Business Results Breakdown

(¥ billions)

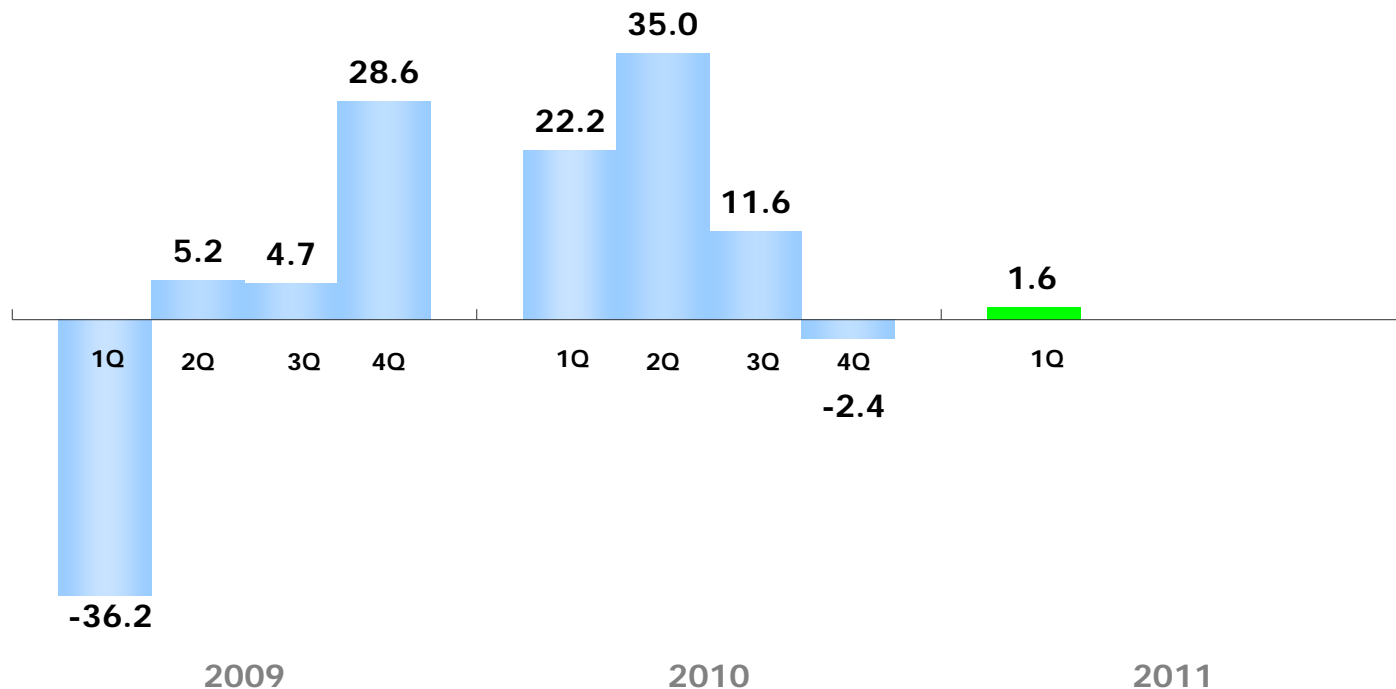
Net Sales	FY11/1Q	FY10/1Q	Difference
Discrete	46.2	50.8	-4.6
System LSI	58.5	80.6	-22.1
Memory	122.9	145.3	-22.4
Semiconductor Total	227.6	276.7	-49.1

Operating Income (loss)	11/1Q	10/1Q	Difference
Semiconductor Total	1.6	22.2	-20.6
%	0.7%	8.0%	-7.3%

# Semiconductor Business

## Quarterly Trend in Operating Income (loss)

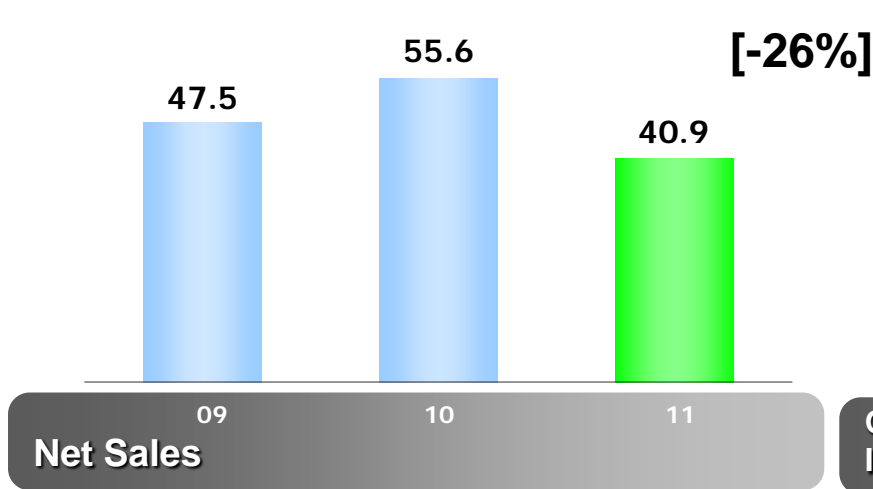
(¥ billions)



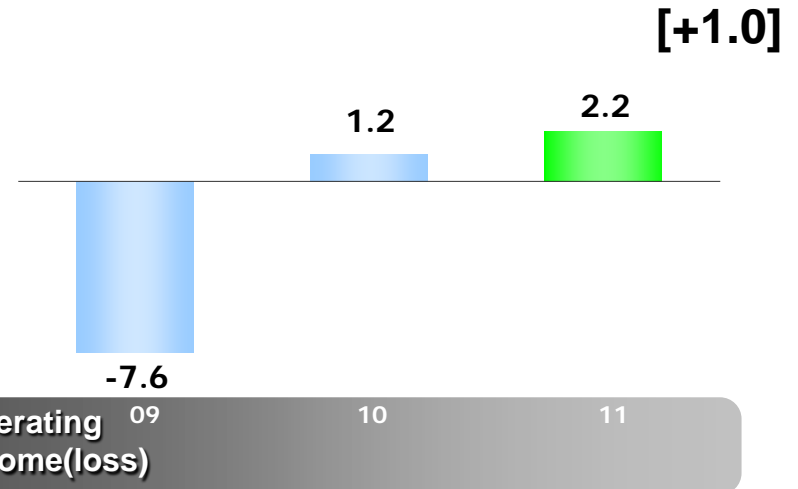
# LCD Business, FY2011 1Q

(¥ billions)

[ ] = Year-on-year comparison



■ Lower sales from the sale of a PC display manufacturing subsidiary and, in part, from the earthquake impact, and overall sales decreased.

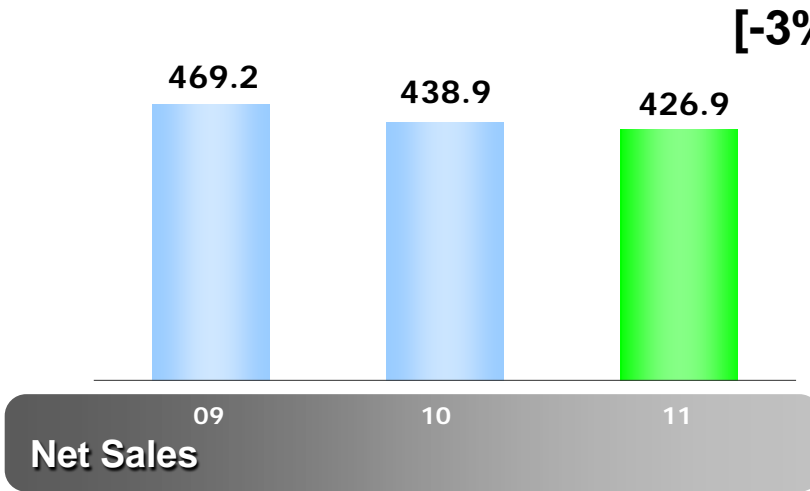


■ Higher operating income on a healthy performance, primarily for displays used in mobile devices such as smartphones, and the results of cost reductions.

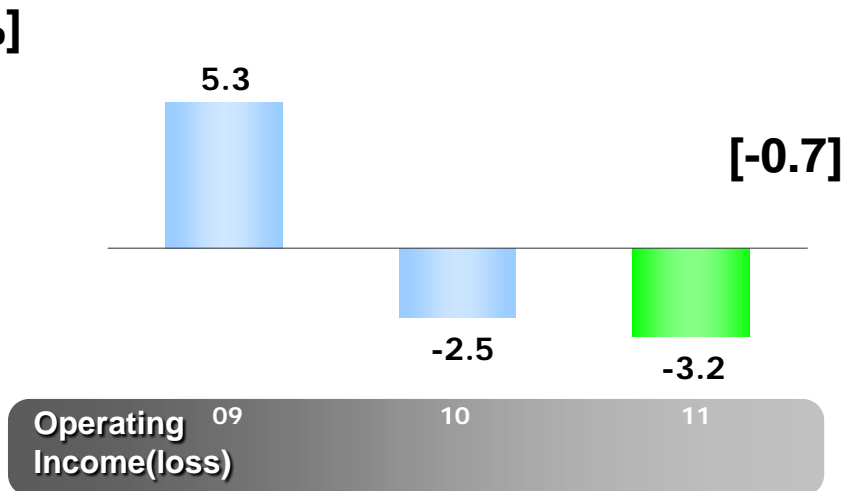
# Social Infrastructure, FY2011 1Q

(¥ billions)

[ ] = Year-on-year comparison



■ Thermal & Hydro Power Systems, Transportation Systems continued healthy performances and increased sales, and the Medical Systems business was flat, but overall segment felt the impact of yen appreciation and declined.



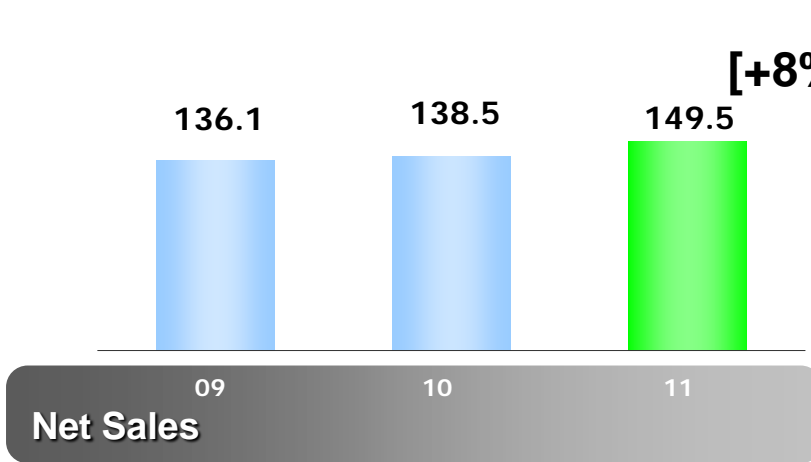
■ Despite a healthy performance by the Power Systems business, mainly Thermal & Hydro Power Systems, and higher operating income in the Medical Systems business, the overall segment saw an operating loss, at the same level as for the previous year, due to yen appreciation and other factors.



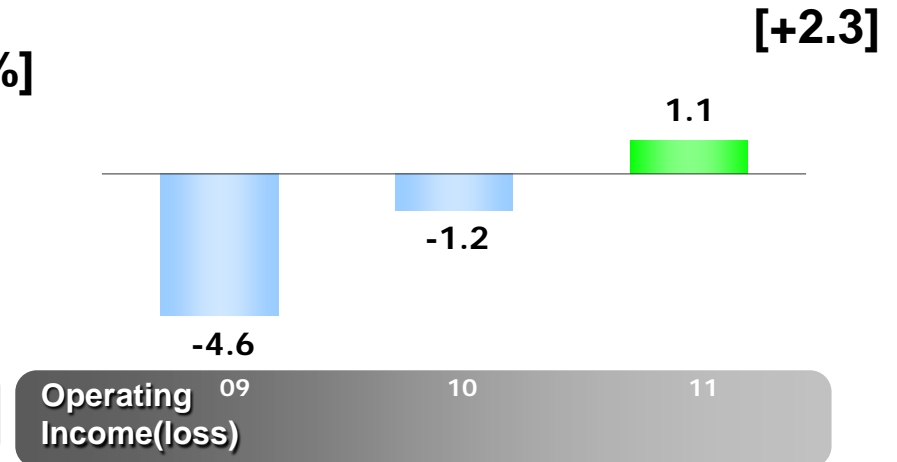
# Home Appliances, FY2011 1Q

(¥ billions)

[ ] = Year-on-year comparison



■ Higher sales due to a healthy performance by White Goods, including Home Air-conditioners, LED Lighting and Industrial Air-conditioning.



■ Moved into surplus on higher operating income in White Goods, including Home Air-conditioners and Lighting Systems, and on positive results from restructuring.

# Non-Operating Income (loss) and Expenses

(¥ billions)

	FY11/1Q	FY10/1Q	Difference
			vs. FY10/1Q
Loss from revaluation of securities	-0.6	-0.1	-0.5
Income (loss) on sales of fixed assets	6.7	-0.5	7.2
Equity in earnings of affiliates	4.2	1.1	3.1
Foreign exchange loss	-2.3	-8.2	5.9
Net financial loss	-4.9	-6.1	1.2
Others	-4.1	-10.0	5.9
<b>Total</b>	<b>-1.0</b>	<b>-23.8</b>	<b>22.8</b>

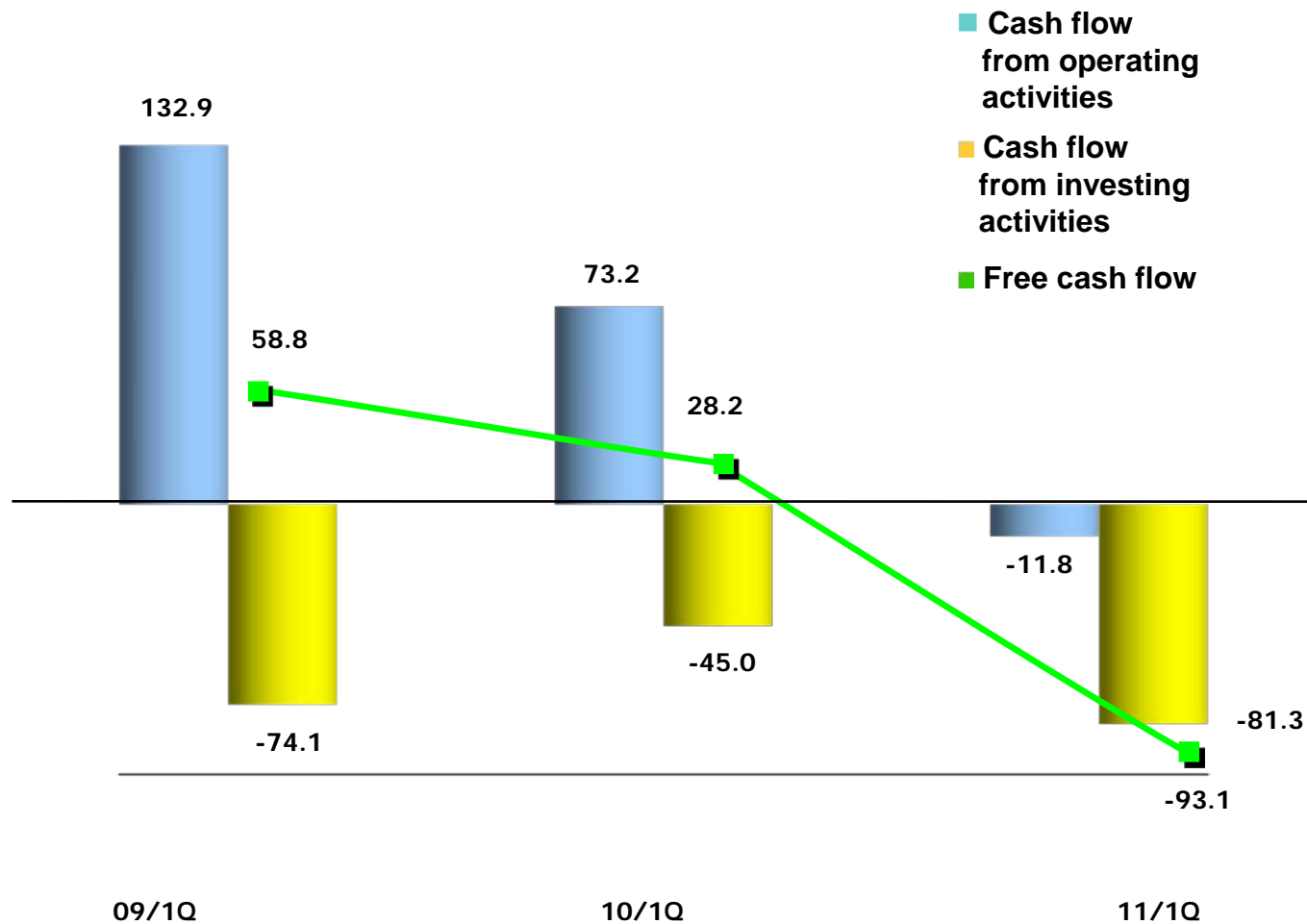
# Income Tax and Net Income (loss) Attributable to Noncontrolling Interests

(¥ billions)

	FY11/1Q	FY10/1Q	Difference
			vs. FY10/1Q
Income (loss) from continuing operations, before income taxes and noncontrolling interests	3.1	10.0	-6.9
Income tax	-1.0	-4.0	3.0
Income (loss) from discontinued operations, before noncontrolling interests	0.0	-2.5	2.5
Net Income (loss) attributable to noncontrolling interests	-1.6	-3.0	1.4
Net Income (loss)	0.5	0.5	0.0

# Cash Flows, FY2011 1Q

(¥ billions)

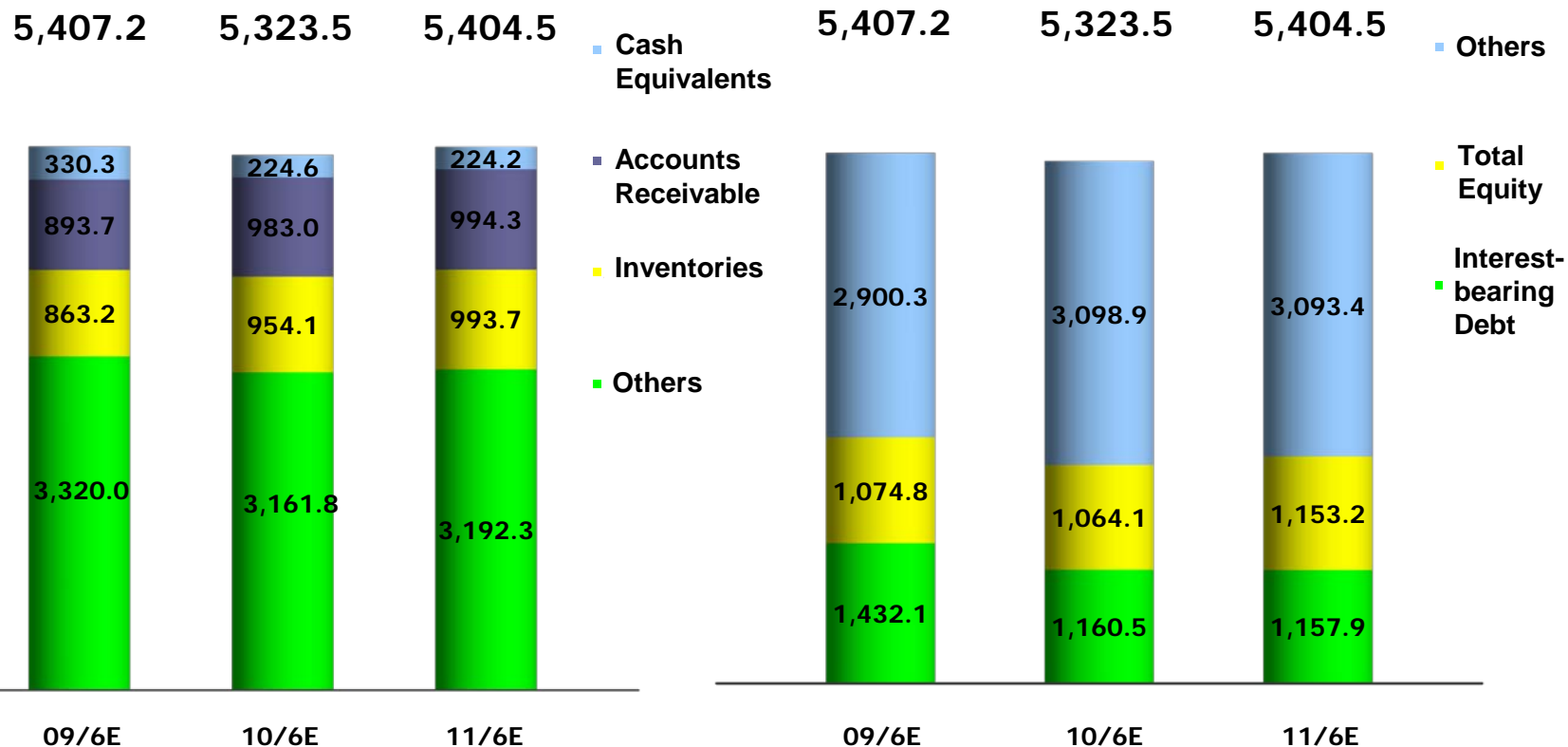


# Consolidated Balance Sheets

(¥ billions)

## Assets

## Liabilities and Equity



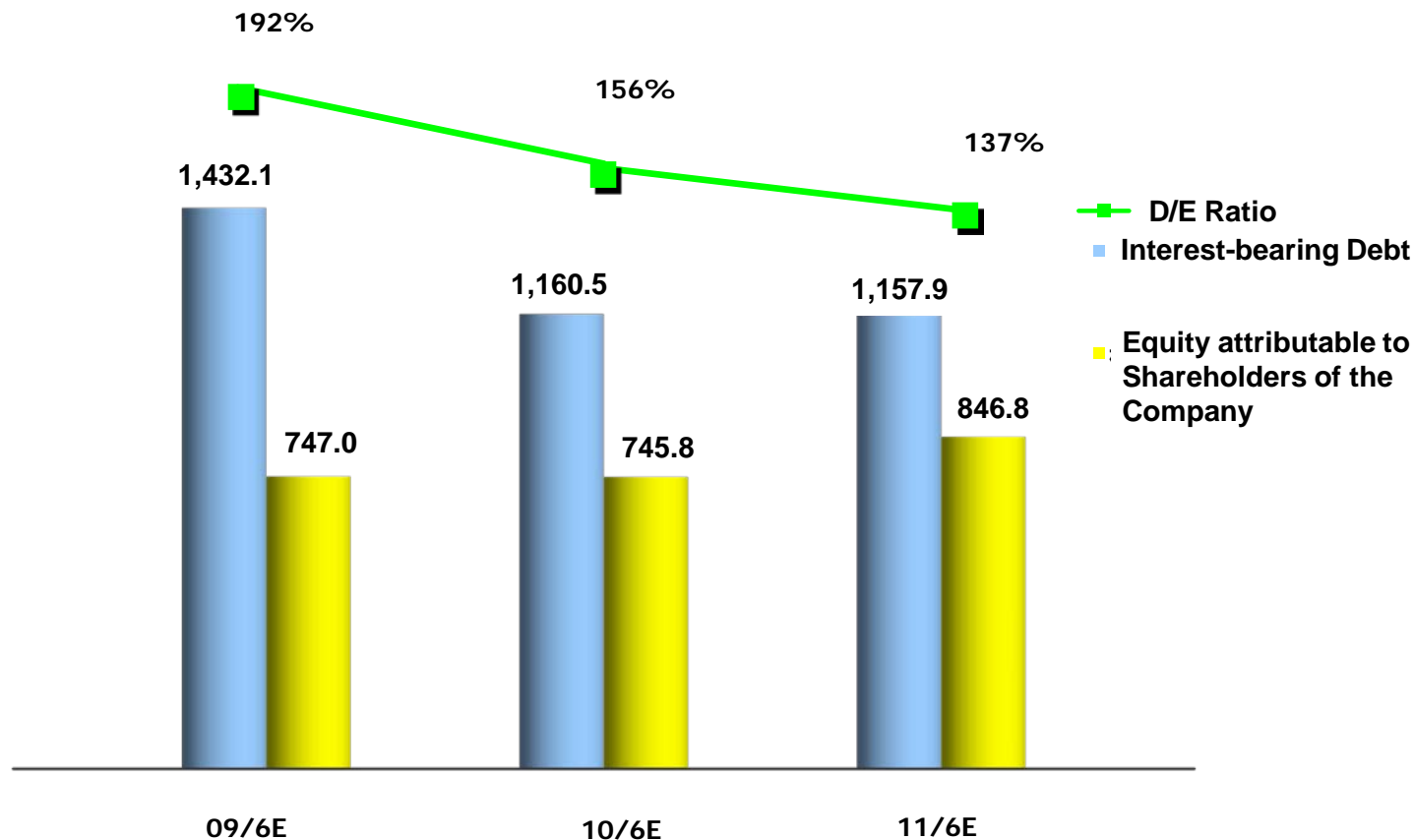
# Total Equity

(¥ billions)

	11/6E	11/3E	10/6E	Difference	
				vs. 11/3E	vs. 10/6E
Common Stock	439.9	439.9	439.9	0.0	0.0
Additional paid-in capital	399.5	399.6	400.8	-0.1	-1.3
Retained earnings	539.3	551.5	422.6	-12.2	116.7
Accumulated other comprehensive loss	-530.4	-521.4	-516.2	-9.0	-14.2
Treasury stock	-1.5	-1.5	-1.3	0.0	-0.2
Equity attributable to shareholders of the Company	846.8	868.1	745.8	-21.3	101.0
Equity attributable to noncontrolling interests	306.4	311.5	318.3	-5.1	-11.9
Total equity	1,153.2	1,179.6	1,064.1	-26.4	89.1
Equity attributable to shareholders of the Company / Total asset ratio	15.7%	16.1%	14.0%	-0.4%	1.7%

# DE Ratio

(¥ billions)



# FY2011 Forecast, Overall

(¥ billions, except earnings (losses) per share)

	FY2011	FY2010	Difference
			vs. 2010
Net Sales	7,000.0	6,398.5	601.5
Operating Income (loss)	300.0	240.3	59.7
%	4.3%	3.8%	
Income (loss) from continuing operations, before income taxes and noncontrolling interests	240.0	195.5	44.5
%	3.4%	3.1%	
Net Income (loss)	140.0	137.8	2.2
%	2.0%	2.2%	
Earnings (losses) per share attributable to shareholders of the Company	¥33.06	¥32.55	¥0.51

No changes have been made to the FY2011 Forecast released on May 9<sup>th</sup>, 2011.



# FY2011 Forecast by Segment

Net Sales	FY2011	FY2010	Difference	(¥ billions)
			vs. FY2010	
Digital Products	2,550.0	2,331.3	218.7	
Electronic Devices	1,450.0	1,347.7	102.3	
Social Infrastructure	2,500.0	2,277.7	222.3	
Home Appliances	650.0	599.8	50.2	
Others	360.0	334.8	25.2	
Total	7,000.0	6,398.5	601.5	

Operating Income (loss)	FY2011	FY2010	Difference	
			vs. FY2010	
Digital Products	20.0	13.0	7.0	
%	0.8%	0.6%	0.2%	
Electronic Devices	140.0	86.8	53.2	
%	9.7%	6.4%	3.3%	
Social Infrastructure	150.0	129.6	20.4	
%	6.0%	5.6%	0.4%	
Home Appliances	10.0	8.8	1.2	
%	1.5%	1.5%	0.0%	
Others	0.0	0.8	-0.8	
%	0.0%	0.1%	-0.1%	
Total	300.0	240.3	59.7	
%	4.3%	3.8%	0.5%	

No changes have been made to the FY2011 Forecast released on May 9<sup>th</sup>, 2011.

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