

# **TOSHIBA**

**Leading Innovation >>>**

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## **FY2011**

# **Consolidated Business Results**

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Corporate Executive Vice President**

**TOSHIBA CORPORATION**

**May 8, 2012**

# 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.
- As a global entity, operating a wide range of businesses in countries and regions with widely different market environments, Toshiba wishes to caution that actual results may differ materially from our expectations due to 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's fiscal year runs from April 1 to March 31.
- All figures are consolidated totals for the 12 months of fiscal year 2011, unless otherwise indicated.
- The company changed the structure of its internal organization in fiscal year 2011. Prior period data relating to the consolidated segment information has been reclassified to conform with the current classification.

# Key Points of FY2011

- **Social Infrastructure saw higher sales reflecting positive results from acceleration of business expansion in the global market. Sales of other segments, however, were affected by yen appreciation, sluggish markets in the United States and Europe and the impacts of the earthquake in Japan and flooding in Thailand, resulting in YoY decrease in overall net sales.**
- **Net Sales: 6,100.3 billion yen (YoY: -298.2 billion yen, - 4.7%)**
- **Lower operating income YoY in Digital Products, affected by sluggish sales of LCD TV, but Electronic Devices and Social Infrastructure secured higher operating income, at 90.2 billion yen and 134.2 billion yen respectively, despite the impacts of yen appreciation, the earthquake in Japan and flooding in Thailand**
- **Operating Income: 206.6 billion yen (YoY: -33.7 billion yen)**
- **Income before income taxes and noncontrolling interest: 152.4 billion yen (YoY: -43.1 billion yen)**
- **Net Income: 73.7 billion yen (YoY: -64.1 billion yen)**

\*Compared with the forecast as of January 31, results show a improvement of 6.6 billion yen in operating income, 27.4 billion yen in income before income taxes and noncontrolling interest and 8.7 billion yen in net income

- **D/E ratio is 142%, reflecting strategic investments (150 billion yen) for future business growth. The ratio was 125% in FY2010.**
- **Year-end dividend: 4 yen per share; 8 yen for the year**

\* YoY: year-on-year comparison

# FY2011, Overall

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

|  | FY11    | FY10    | Difference |
|--|---------|---------|------------|
|  |         |         | vs. FY10   |
| Net Sales  | 6,100.3 | 6,398.5 | -298.2     |
| Operating Income (loss)  | 206.6   | 240.3   | -33.7      |
| %  | 3.4%    | 3.8%    |            |
| Income (loss) from continuing operations, before income taxes and noncontrolling interests | 152.4   | 195.5   | -43.1      |
| %  | 2.5%    | 3.1%    |            |
| Net Income (loss)*   | 73.7    | 137.8   | -64.1      |
| %  | 1.2%    | 2.2%    |            |
| Earning (losses) per share attributable to shareholders of the Company**                   | ¥17.40  | ¥32.55  | ¥-15.15    |

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

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

# FY2011, by Segment

| Net Sales             | FY11    | FY10    | Difference |
|-----------------------|---------|---------|------------|
|                       |         |         | vs. FY10   |
| Digital Products      | 1,664.0 | 1,917.7 | -253.7     |
| Electronic Devices    | 1,616.3 | 1,757.9 | -141.6     |
| Social Infrastructure | 2,412.8 | 2,277.7 | 135.1      |
| Home Appliances       | 576.8   | 599.8   | -23.0      |
| Others                | 326.9   | 335.0   | -8.1       |
| Total                 | 6,100.3 | 6,398.5 | -298.2     |

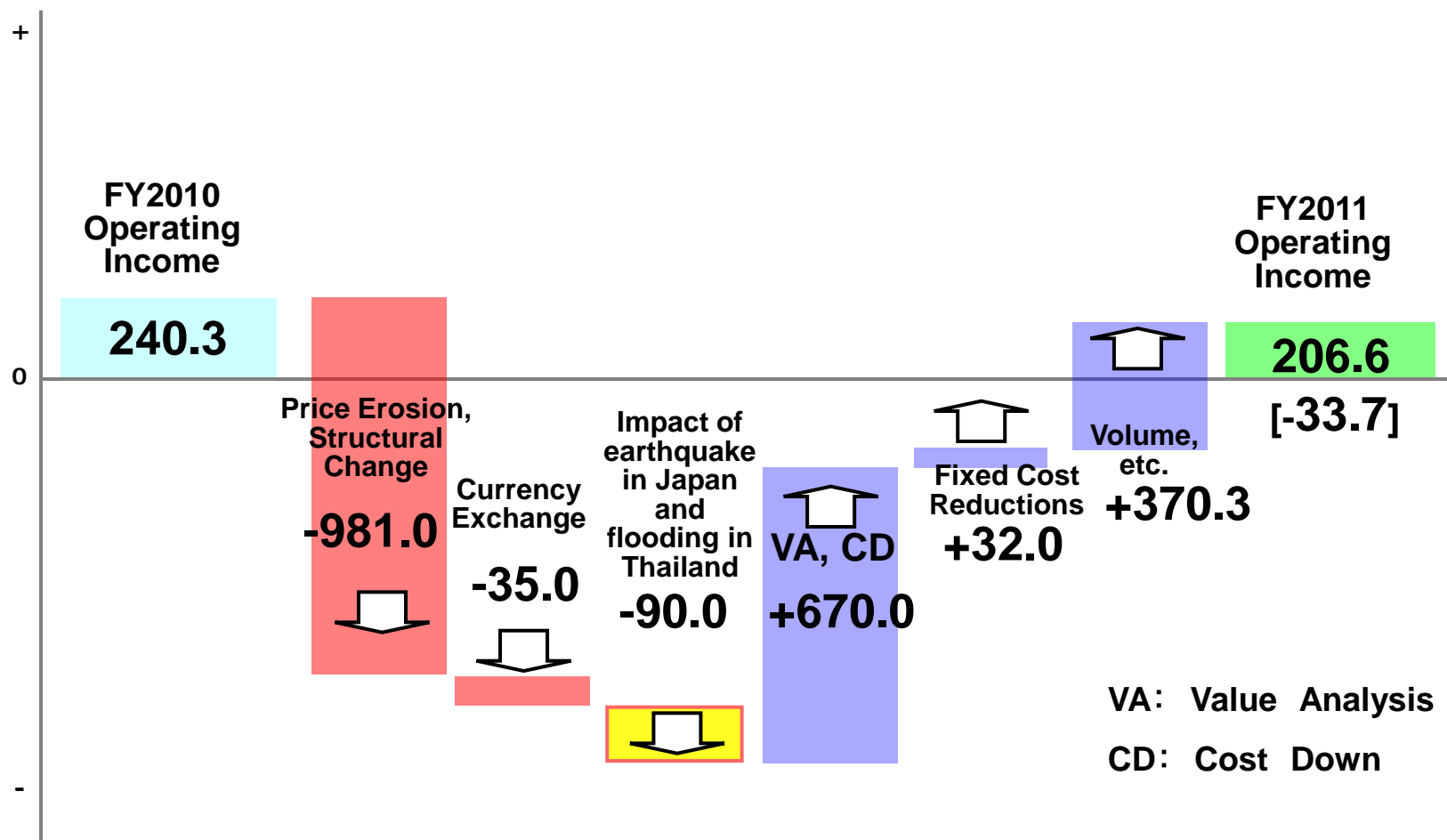
(¥ billions)

| Operating Income (Loss) | FY11  | FY10  | Difference |
|-------------------------|-------|-------|------------|
|                         |       |       | vs. FY10   |
| Digital Products        | -28.2 | 28.9  | -57.1      |
| %                       | -1.7% | 1.5%  | -3.2%      |
| Electronic Devices      | 90.2  | 71.2  | 19.0       |
| %                       | 5.6%  | 4.1%  | 1.5%       |
| Social Infrastructure   | 134.2 | 129.6 | 4.6        |
| %                       | 5.6%  | 5.7%  | -0.1%      |
| Home Appliances         | 5.7   | 8.8   | -3.1       |
| %                       | 1.0%  | 1.5%  | -0.5%      |
| Others                  | 2.9   | 0.7   | 2.2        |
| %                       | 0.9%  | 0.2%  | 0.7%       |
| Total                   | 206.6 | 240.3 | -33.7      |
| %                       | 3.4%  | 3.8%  | -0.4%      |

# Operating Income (Loss) Analysis, FY2010 and FY2011

(¥ billions)

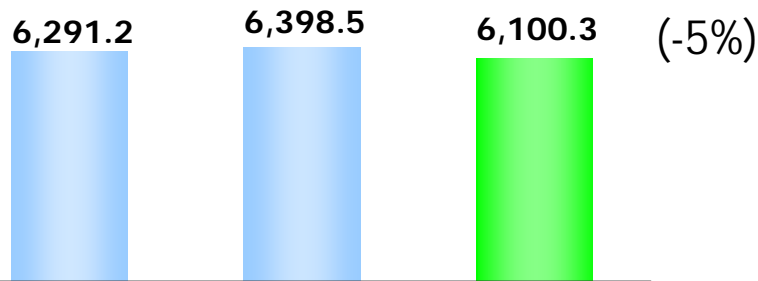
[ ] = Year-on-year comparison



# Overview, FY2011 Results

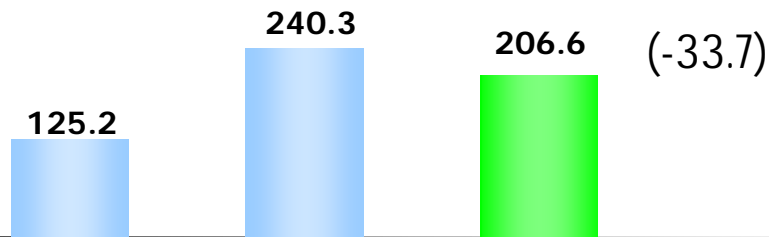
(¥ billions)

[ ] = Year-on-year comparison



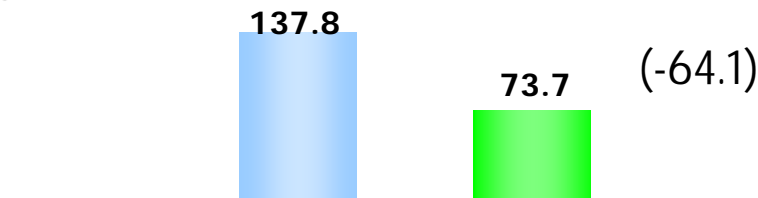
**Lower Sales**  
Higher sales in Social Infrastructure, but lower sales in Digital Products and Electronic Devices

Net Sales 09 10 11



**Lower Operating Income**  
Higher operating income in Electronic Devices and Social Infrastructure, but lower operating income in Digital Products

Operating Income (loss) 09 10 11



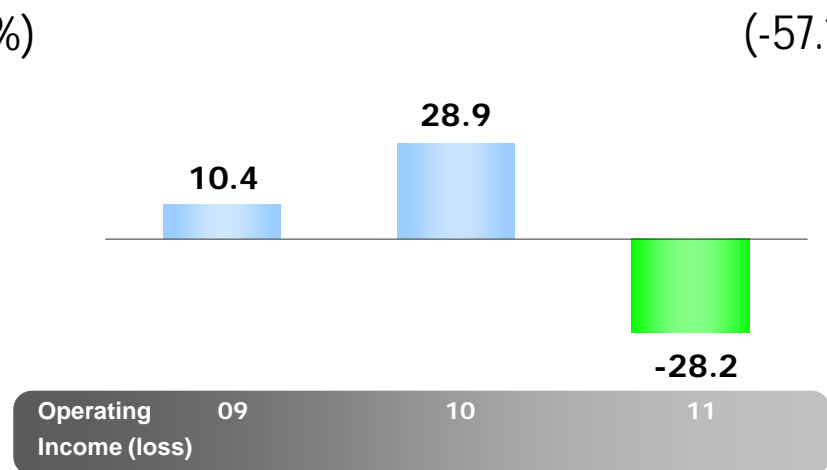
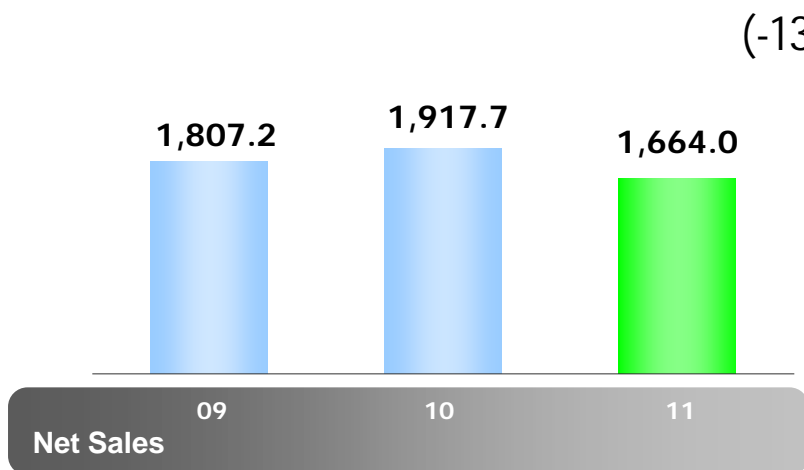
**Lower Net Income**  
Lower net income due to a decrease in operating income and a temporary increase in tax expenses resulting from the tax system amendment act

Net Income (loss) 09 10 11

# Digital Products, FY2011

(¥ billions)

[ ] = Year-on-year comparison



■ The Digital Products segment saw lower overall sales, reflecting the impact of yen appreciation, sluggish sales of PCs in the United States and Europe and price erosion and lower demand for LCD TVs mainly in Japan.

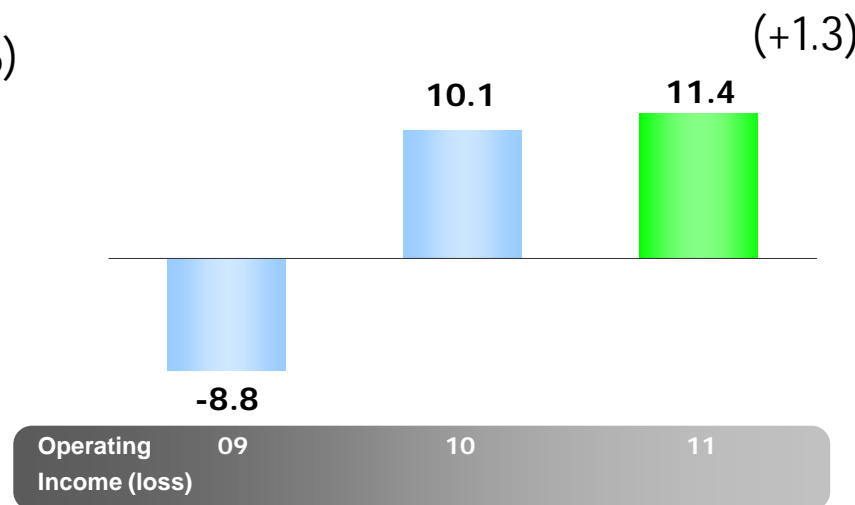
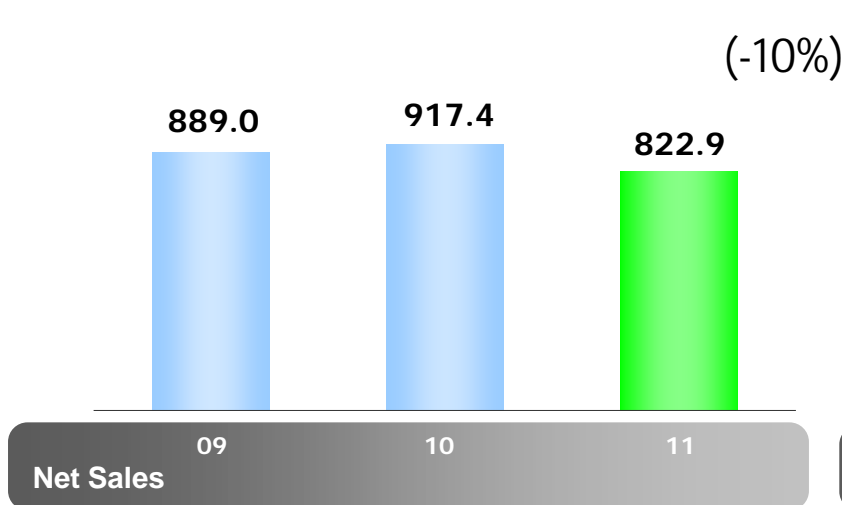
■ Operating income was higher in PCs, but the impacts of price erosion and lower demand in Japan for LCD TVs, on completion of the transition to digital terrestrial broadcasting, brought the segment into the red.



# PC Business, FY2011

(¥ billions)

[ ] = Year-on-year comparison



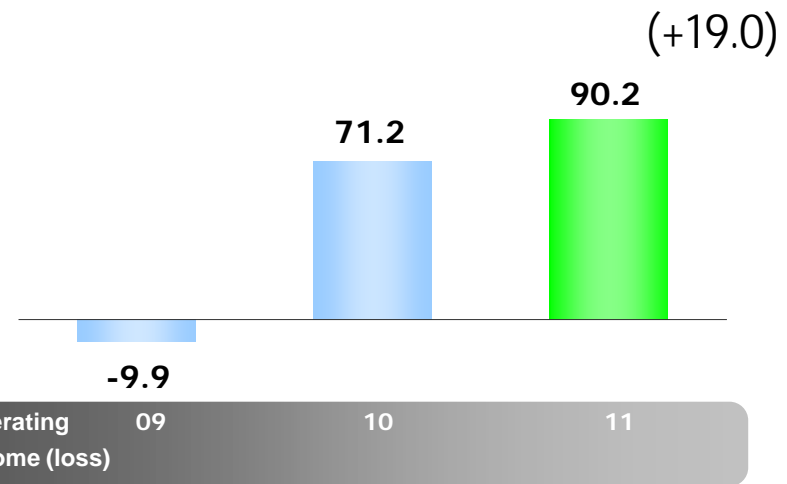
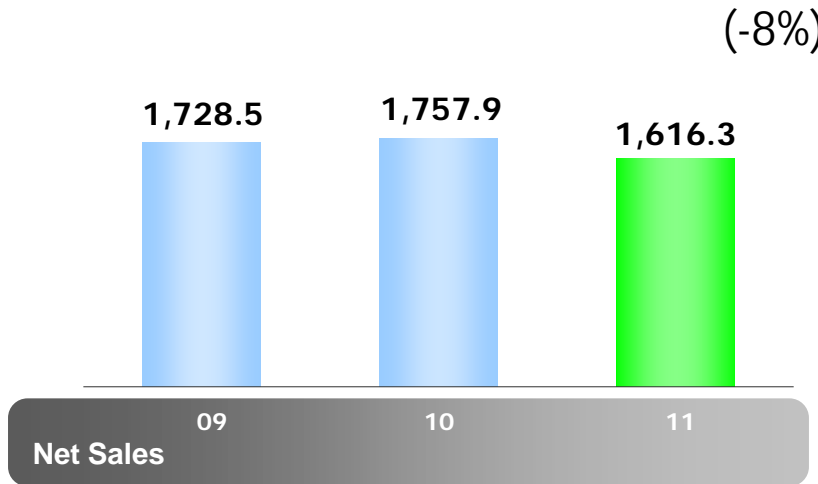
■ Sales grew in Japan, but the impact of yen appreciation and sluggish sales in the United States and Europe resulted in lower sales.

■ Operating income was higher on increased sales in Japan, cost reduction measures and the effects of lower parts and materials costs.

# Electronic Devices, FY2011

(¥ billions)

[ ] = Year-on-year comparison



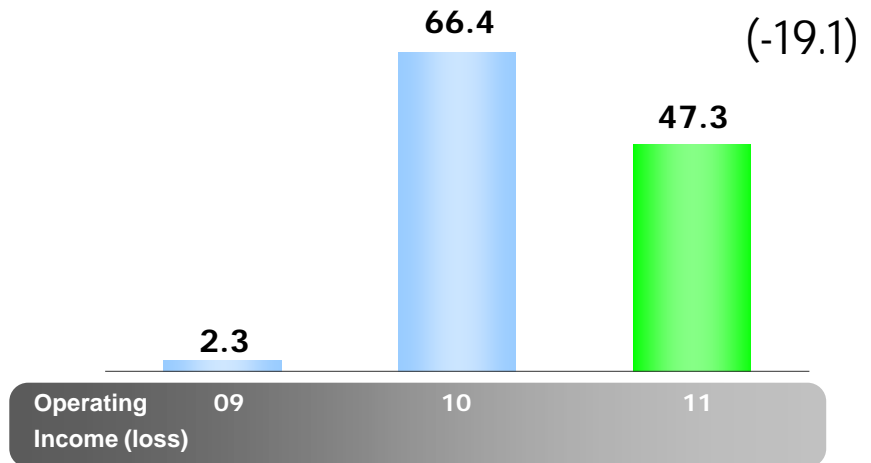
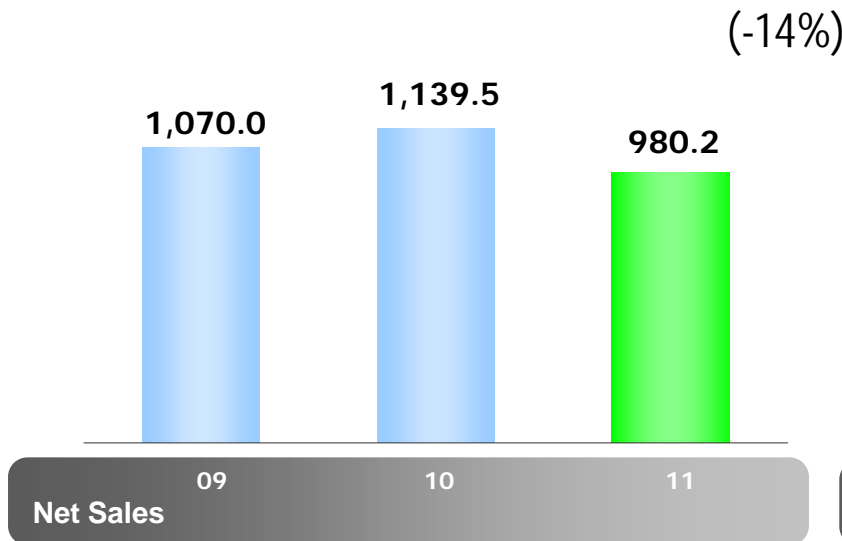
■ The Electronic Devices segment saw overall sales decrease, reflecting the impact of yen appreciation and such impacts as sluggish demand for consumer products resulting from the earthquake in Japan and flooding in Thailand

■ Despite the impacts of yen appreciation, flooding in Thailand and sluggish demand, a healthy performance in Storage Products, such as HDD, and cost reduction measures in the Semiconductor business, allowed the overall segment to record higher income

# Semiconductor Business, FY2011

(¥ billions)

[ ] = Year-on-year comparison



■ Although Memories saw a boom in demand for smartphones, sales were lower on the impact of yen appreciation. System LSIs and Discretes saw lower sales on lower demand.

■ Memories secured profit despite the impact of yen appreciation but income was lower. Discretes saw lower income on lower demand and overall operating income decreased despite improvement in System LSIs as a result of restructuring.

# Semiconductor Business Results Breakdown

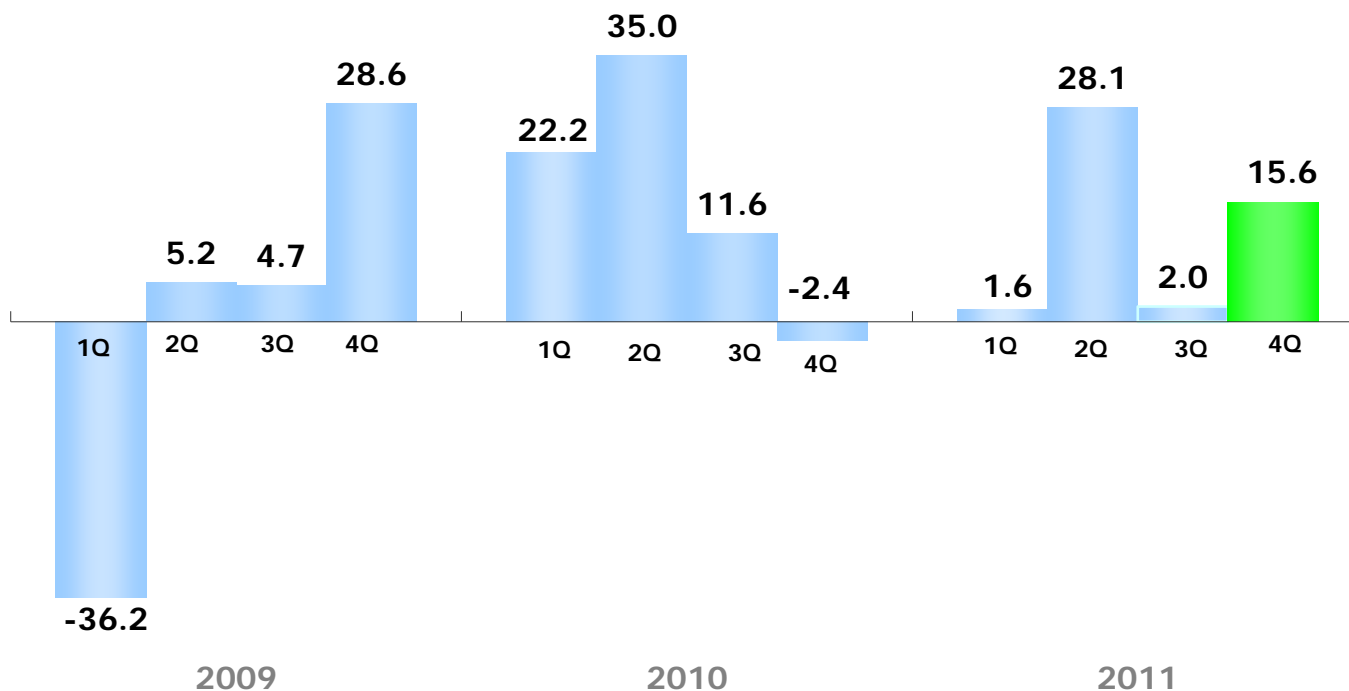
(¥ billions)

| <b>Net Sales</b>    | <b>FY11</b> | <b>FY10</b> | <b>vs. FY10</b> |
|---------------------|-------------|-------------|-----------------|
| Discrete            | 168.2       | 196.2       | -28.0           |
| System LSI          | 262.5       | 335.2       | -72.7           |
| Memory              | 549.5       | 608.1       | -58.6           |
| Semiconductor Total | 980.2       | 1,139.5     | -159.3          |

| <b>Operating Income (Loss)</b> | <b>FY11</b> | <b>FY10</b> | <b>VS. FY10</b> |
|--------------------------------|-------------|-------------|-----------------|
| Semiconductor Total            | 47.3        | 66.4        | -19.1           |
| %                              | 4.8%        | 5.8%        | -1.0%           |

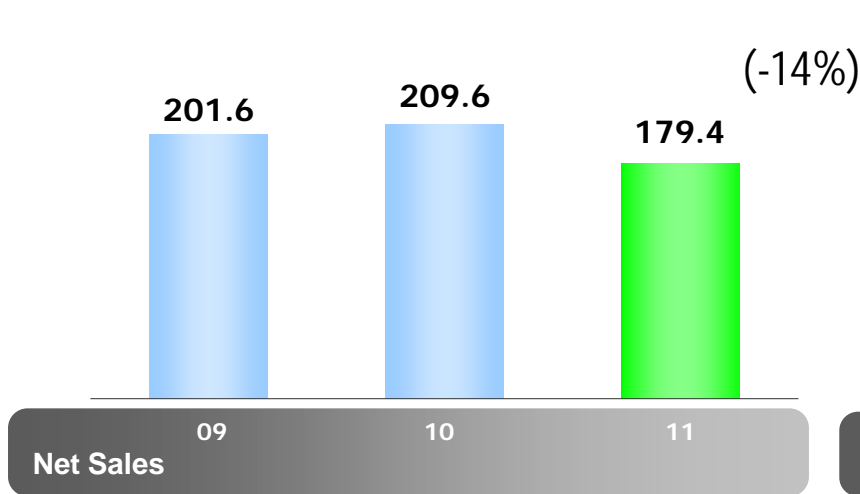
# Semiconductor Business Quarterly Trend in Operating Income (Loss)

(¥ billions)

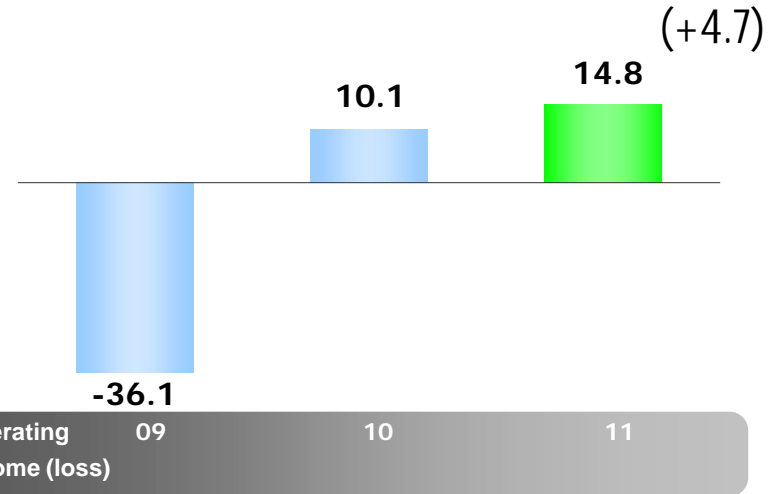


# LCD Business, FY2011

(¥ billions)  
[ ] = Year-on-year comparison



■ Lower sales resulted from the sale of an overseas subsidiary that manufactured PC displays and, in part, the impact of the earthquake in Japan.

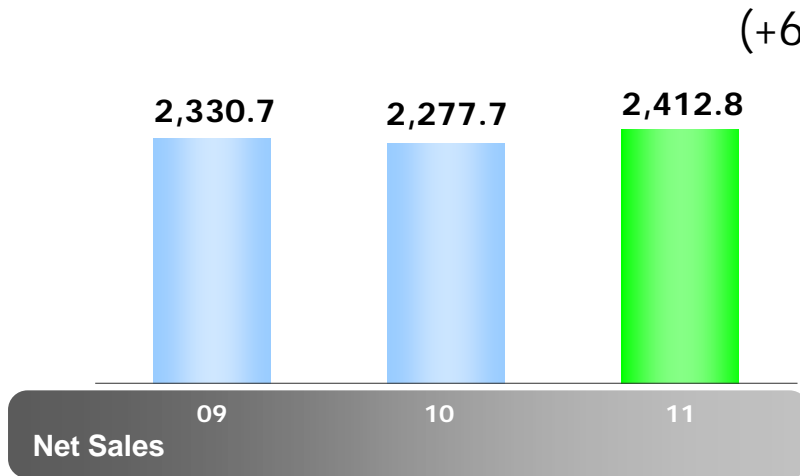


■ Improved operating income reflected continued healthy demand and positive progress in cost cutting.

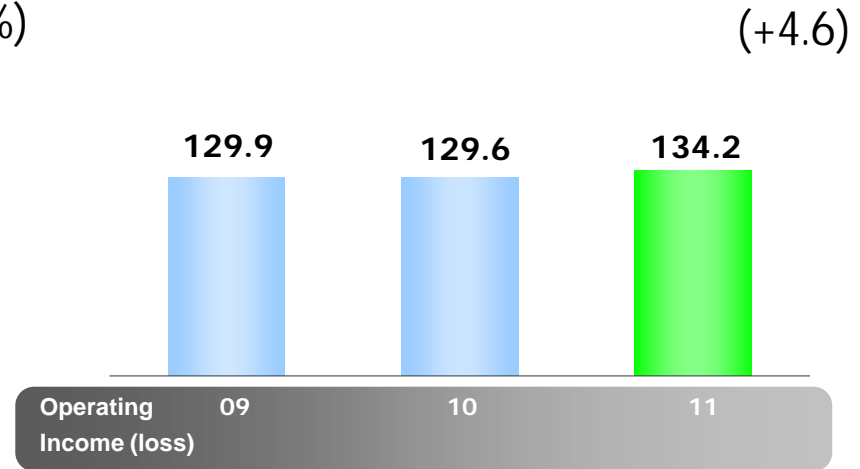
# Social Infrastructure, FY2011

(¥ billions)

[ ] = Year-on-year comparison



■ Positive results from accelerating business expansion in the global market, such as acquiring Landis+Gyr AG, and a healthy performance in Thermal & Hydro Power Systems produced higher sales, despite the impact of yen appreciation.

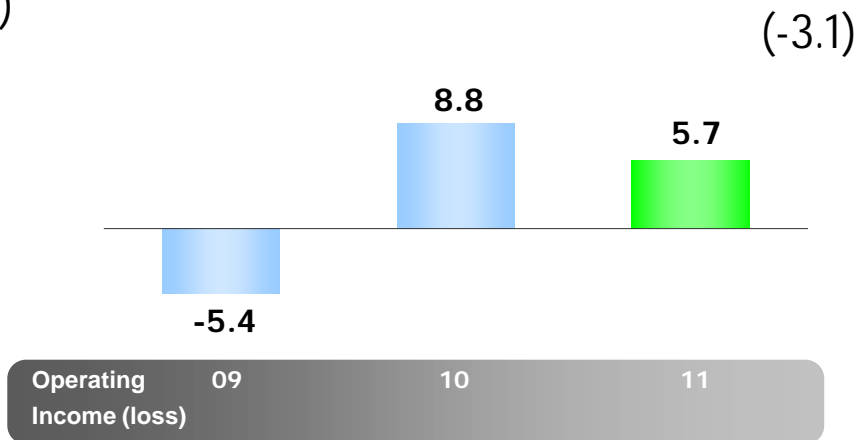
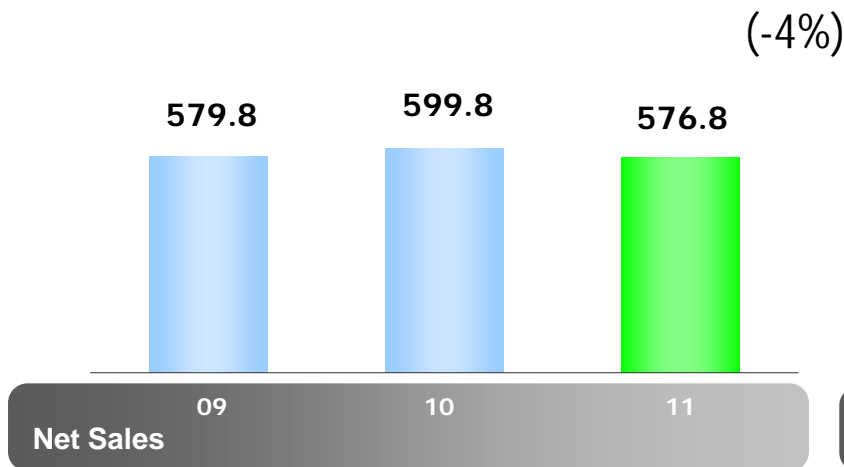


■ Higher operating income reflected a healthy performance in Thermal & Hydro Power Systems, increased operating income in IT Solutions and the positive impact of acquiring Landis+Gyr AG

# Home Appliances, FY2011

(¥ billions)

[ ] = Year-on-year comparison



■ A healthy performance in LED Lighting was stimulated by a rise in demand for energy efficient products, but lower sales in White Goods, reflecting the impact of flooding in Thailand and lower demand on the end of the eco-point system in Japan, resulted in lower overall sales

■ Despite higher income in LED Lighting and the positive impact of restructuring, overall income decreased due to lower income in White Goods, reflecting the impact of flooding in Thailand



# Non-Operating Income (Loss) and Expenses

(¥ billions)

|                                     | FY11         | FY10         | Difference  |
|-------------------------------------|--------------|--------------|-------------|
|                                     |              |              | vs. FY10    |
| Loss from revaluation of securities | -9.7         | -6.4         | -3.3        |
| Income on sales of fixed assets     | 3.5          | 19.0         | -15.5       |
| Equity in earning of affiliates     | 17.0         | 18.5         | -1.5        |
| Foreign exchange loss               | -15.9        | -3.1         | -12.8       |
| Net financial loss                  | -21.1        | -23.6        | 2.5         |
| Others                              | -28.0        | -49.2        | 21.2        |
| <b>Total</b>                        | <b>-54.2</b> | <b>-44.8</b> | <b>-9.4</b> |

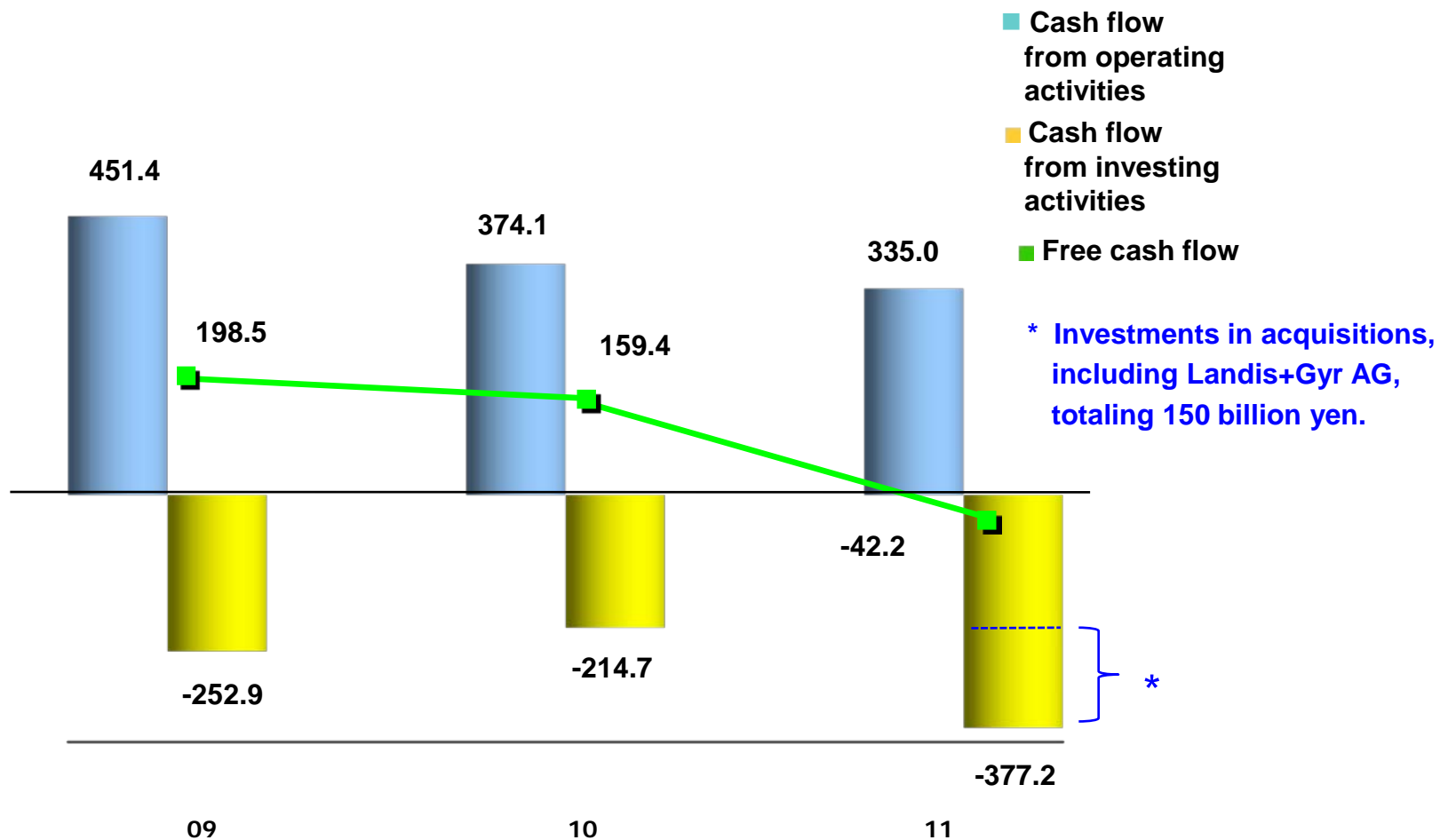
# Income Tax and Net Income (Loss) Attributable to Noncontrolling Interests

(¥ billions)

|  | FY11  | FY10  | Difference |
|--|-------|-------|------------|
|  |       |       | vs. FY10   |
| Income (loss) from continuing operations, before income taxes and noncontrolling interests | 152.4 | 195.5 | -43.1      |
| Income tax   | -65.0 | -40.7 | -24.3      |
| Income (loss) from discontinued operations, before noncontrolling interests                | -1.3  | -8.2  | 6.9        |
| Net Income (loss) attributable to noncontrolling interests                                 | -12.4 | -8.8  | -3.6       |
| Net Income (loss)  | 73.7  | 137.8 | -64.1      |

# Cash Flows, FY2011

(¥ billions)

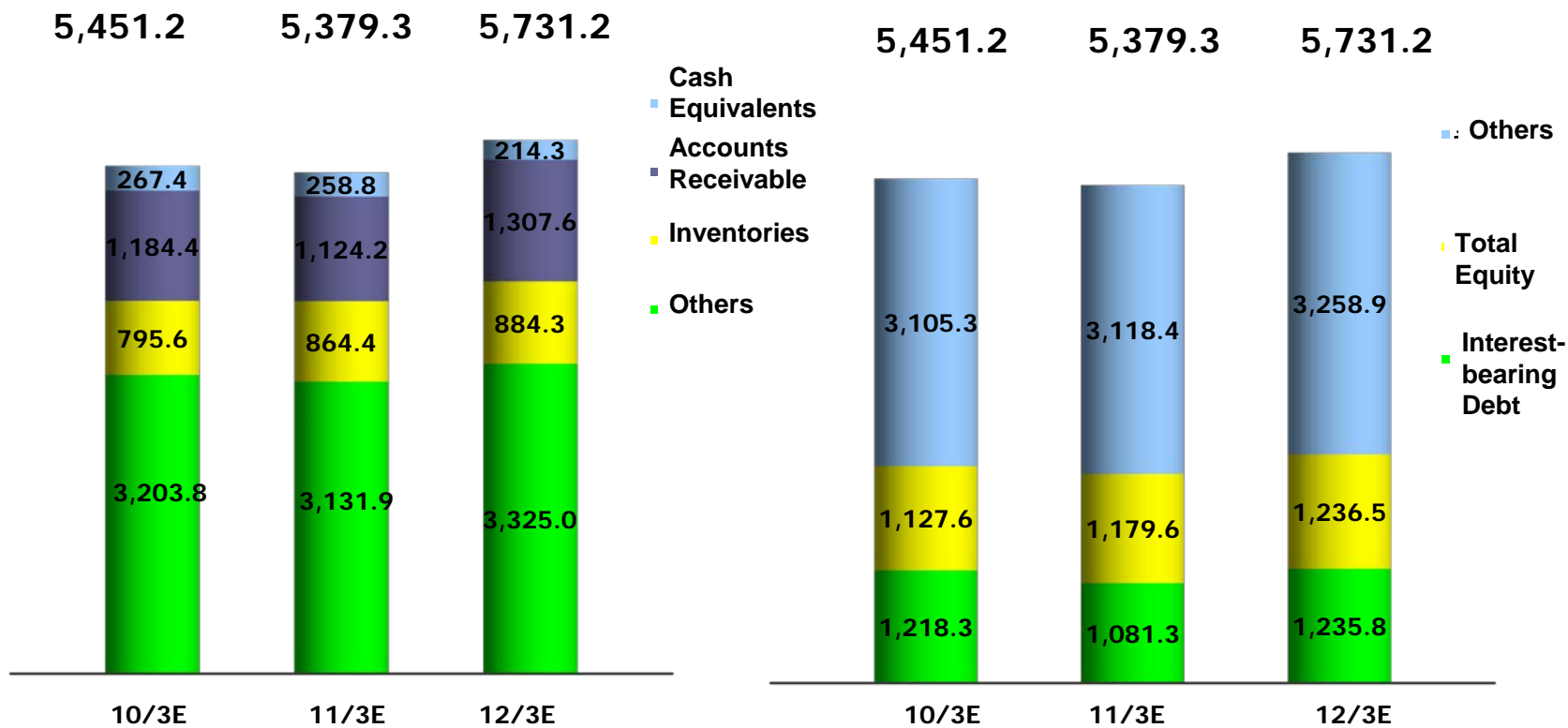


# Consolidated Balance Sheets

(¥ billions)

## Assets

## Liabilities and Equity



# Total Equity

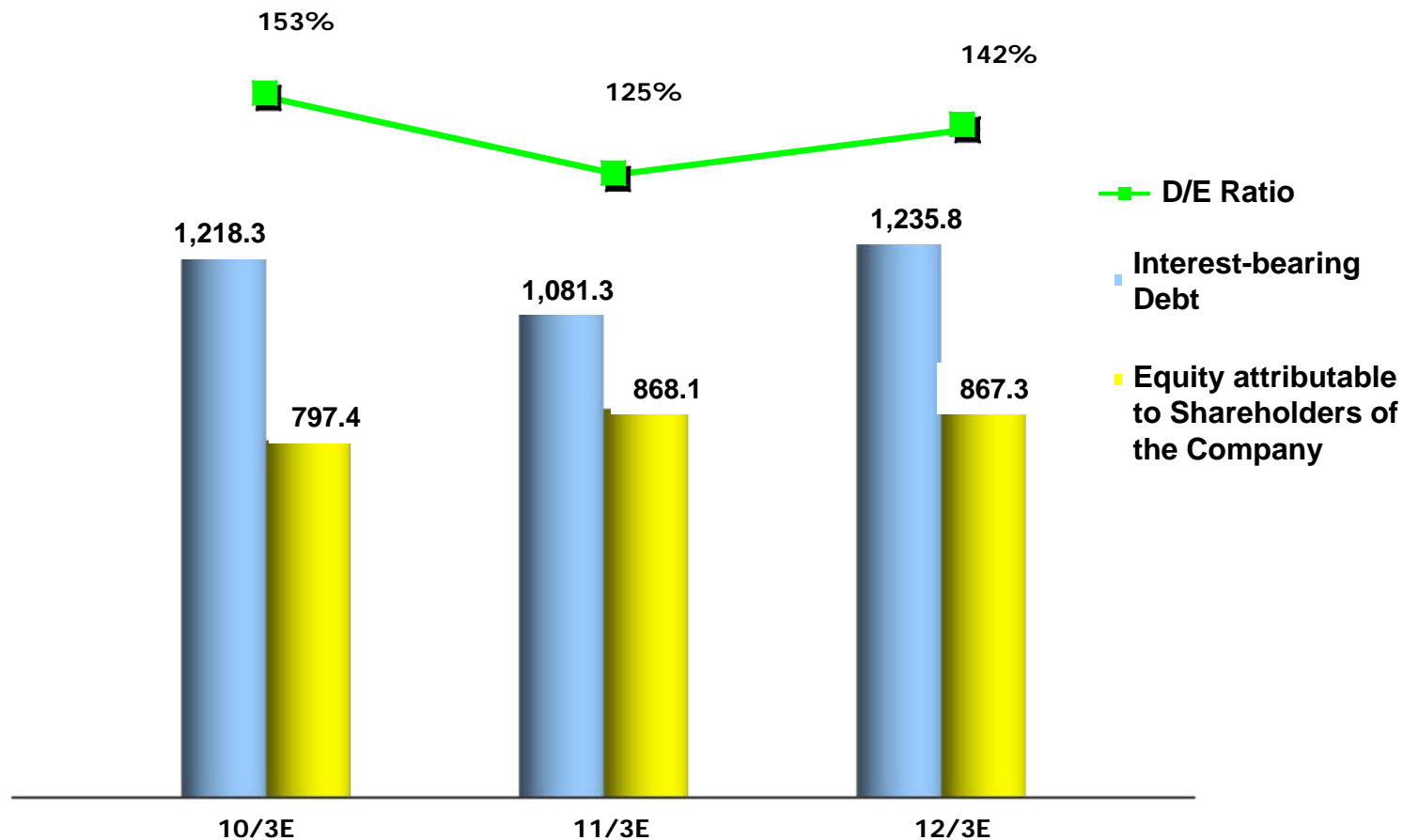
(¥ billions)

[ vs. 11/3E ]

|  | 12/3E   | 11/3E   | Difference |
|--|---------|---------|------------|
| Common Stock   | 439.9   | 439.9   | 0.0        |
| Additional paid-in capital   | 401.1   | 399.6   | 1.5        |
| Retained earnings  | 595.6   | 551.5   | 44.1       |
| Accumulated other comprehensive loss                                   | -567.8  | -521.4  | -46.4      |
| Treasury stock   | -1.5    | -1.5    | 0.0        |
| Equity attributable to shareholders of the Company                     | 867.3   | 868.1   | -0.8       |
| Equity attributable to noncontrolling interests                        | 369.2   | 311.5   | 57.7       |
| Total equity   | 1,236.5 | 1,179.6 | 56.9       |
| Equity attributable to shareholders of the Company / Total asset ratio | 15.1%   | 16.1%   | -1.0%      |

# DE Ratio

(¥ billions)



# FY2012 Forecast, Overall

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

|  | FY12    | FY11    | Difference |
|--|---------|---------|------------|
|  |         |         | vs. FY11   |
| Net Sales  | 6,400.0 | 6,100.3 | 299.7      |
| Operating Income (loss)  | 300.0   | 206.6   | 93.4       |
| %  | 4.7%    | 3.4%    |            |
| Income (loss) from continuing operations, before income taxes and noncontrolling interests | 210.0   | 152.4   | 57.6       |
| %  | 3.3%    | 2.5%    |            |
| Net Income (loss)  | 135.0   | 73.7    | 61.3       |
| %  | 2.1%    | 1.2%    |            |
| Earnings (losses) per share attributable to shareholders of the Company                    | ¥31.88  | ¥17.40  | ¥14.48     |

# FY2012 Forecast by Segment

(¥ billions)

| Net Sales             | FY12    | FY11    | Difference |
|-----------------------|---------|---------|------------|
|                       |         |         | vs. FY11   |
| Digital Products      | 1,710.0 | 1,664.0 | 46.0       |
| Electronic Devices    | 1,640.0 | 1,436.9 | 203.1      |
| Social Infrastructure | 2,600.0 | 2,412.8 | 187.2      |
| Home Appliances       | 640.0   | 576.8   | 63.2       |
| Others                | 340.0   | 506.3   | -166.3     |
| Total                 | 6,400.0 | 6,100.3 | 299.7      |

| Operating Income (Loss) | FY12  | FY11  | Difference |
|-------------------------|-------|-------|------------|
|                         |       |       | vs. FY11   |
| Digital Products        | 15.0  | -28.2 | 43.2       |
| %                       | 0.9%  | -1.7% | 2.6%       |
| Electronic Devices      | 100.0 | 75.4  | 24.6       |
| %                       | 6.1%  | 5.2%  | 0.9%       |
| Social Infrastructure   | 165.0 | 134.2 | 30.8       |
| %                       | 6.3%  | 5.6%  | 0.7%       |
| Home Appliances         | 10.0  | 5.7   | 4.3        |
| %                       | 1.6%  | 1.0%  | 0.6%       |
| Others                  | 10.0  | 17.7  | -7.7       |
| %                       | 2.9%  | 3.5%  | -0.6%      |
| Total                   | 300.0 | 206.6 | 93.4       |
| %                       | 4.7%  | 3.4%  | 1.3%       |

\*FY2011 data for the LCD Display business has been reclassified from Electronic Devices to Others



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