FY2014
Business Results Forecast

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Forward-looking Statements

- 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 2014, unless otherwise indicated.
- Prior-period performance on consolidated segment information has been reclassified to conform with the current classification.
- The optical disc drive (ODD) business is classified as a discontinued operation in accordance with the Accounting Standards Classification (ASC) 205-20 "Presentation of Financial Statements – Discontinued Operations". The results of the ODD business have been excluded from net sales, operating income (loss), and income (loss) from continuing operations, before income taxes and noncontrolling interests. Net income of Toshiba Group is calculated by reflecting the ODD business results to income (loss) from continuing operations, before income taxes and noncontrolling interests. Results of the past fiscal years have been revised to reflect this change.

Starting in FY2014, some of advanced R&D expenses and headquarters administrative overhead expenses have been classified into the corporate expenses without being allocated to the segments. In this revision, previous forecast and results of the past fiscal years are revised to reflect this change, and will be in subsequent materials.

Key Point of FY2014 Forecast

Both the Energy & Infrastructure and Electronic Devices & Components segments are performing well, at a pace surpassing our original plan. Overall operating income will achieve a record high of 330 billion yen, despite implementing structural reforms in the PC and TV businesses.

- **Energy & Infrastructure:**
  Nuclear power systems is doing well, especially in fuel supply and services, and operating income is expected to be higher than originally planned. Thermal & hydro power systems, Solar photovoltaic systems and Railroad systems are also doing well. The forecast for segment operating income is revised up to 91 billion yen (+21 billion yen vs. previous forecast : +13 billion yen from operations; +8 billion yen from reclassification)
- **Electronic Devices & Components:**
  Strong demand for NAND flash memories has continued since the second quarter, and miniaturization is proceeding in line with our plan. The forecast for segment operating income is revised up to 226 billion yen (+46 billion yen vs. previous forecast : +37 billion yen from operations; +9 billion yen from reclassification)
- **Lifestyle Products & Services :**
  In the PC business, a new structural reform plan will accelerate the shift to BtoB area and downsize the BtoC area significantly. The TV business is also steadily implementing the structural reform plan we announced this July. With the effects of structural reform costs, the forecast for segment operating income is revised down to -48 billion yen (-51 billion yen vs. previous forecast : -55 billion yen from operations; +4 billion yen from reclassification)
- Structural reform of the PC and TV businesses will account for about 29 billion yen of Non-operating income (loss)
- The original plan of net income (loss) attributable to shareholders of the Company of 120 billion yen will be achieved.
- An interim dividend of 4 yen per share is planned.

※ BtoB: Business to Business
BtoC: Business to Consumer

FY2014 Forecast, Overall

Toshiba Group's projections for FY2014 consolidated results remain unchanged from those announced on May 8, 2014.

(Yen in billions)

	FY14 Forecast	FY13 Actual	Difference vs FY13
Net sales	6,700.0	6,502.5	197.5
Operating income (loss)	330.0	290.8	39.2
%	4.9%	4.5%	0.4%
Income (loss) before income taxes and noncontrolling interests	250.0	180.9	69.1
%	3.7%	2.8%	0.9%
Net income (loss)	120.0	50.8	69.2
%	1.8%	0.8%	1.0%
Earnings (losses) per share attributable to shareholders of the Company	¥28.34	¥12.00	¥16.34

FY2014 Forecast by Segment

(Yen in billions)

Net Sales	FY14 Revised forecast (as of Sept 18)	FY14 Previous forecast (reclassified)	Diff. (vs. reclassified)	FY14 Previous forecast (as of May 8)	FY13 Actual	Diff.
Energy & Infrastructure	**1,990.0**	1,950.0	40.0	1,950.0	1,812.2	177.8
Community Solutions	**1,410.0**	1,410.0	0.0	1,410.0	1,357.4	52.6
Healthcare Systems & Services	**440.0**	440.0	0.0	440.0	410.8	29.2
Electronic Devices & Components	**1,730.0**	1,710.0	20.0	1,710.0	1,693.4	36.6
Lifestyle Products & Services	**1,200.0**	1,310.0	-110.0	1,310.0	1,313.8	-113.8
Others	**550.0**	550.0	0.0	550.0	504.0	46.0
Total	**6,700.0**	6,700.0	0.0	6,700.0	6,502.5	197.5

Operating Income (Loss)	FY14 Revised forecast (as of Sept 18)	FY14 Previous forecast (reclassified)	Diff. (vs. reclassified)	FY14 Previous forecast (as of May 8)	FY13 Actual	Diff.
Energy & Infrastructure	**91.0**	78.0	13.0	70.0	37.6	53.4
%	**4.6%**	4.0%	0.6%	3.6%	2.1%	2.5%
Community Solutions	**61.0**	61.0	0.0	58.0	54.1	6.9
%	**4.3%**	4.3%	0.0%	4.1%	4.0%	0.3%
Healthcare Systems & Services	**31.0**	31.0	0.0	30.0	30.0	1.0
%	**7.0%**	7.0%	0.0%	6.8%	7.3%	-0.3%
Electronic Devices & Components	**226.0**	189.0	37.0	180.0	243.7	-17.7
%	**13.1%**	11.1%	2.0%	10.5%	14.4%	-1.3%
Lifestyle Products & Services	**-48.0**	7.0	-55.0	3.0	-47.6	-0.4
%	**-4.0%**	0.5%	-4.5%	0.2%	-3.6%	-0.4%
Others	**9.0**	9.0	0.0	-6.0	11.5	-2.5
%	**1.6%**	1.6%	0.0%	-1.1%	2.3%	-0.7%
Total	**330.0**	330.0	0.0	330.0	290.8	39.2
%	**4.9%**	4.9%	0.0%	4.9%	4.5%	0.4%

* "Total" figures include corporate and eliminations.
* The method of allocating corporate expenses to the segments was changed. Previous forecast and FY13 results have been revised to reflect this change.

FY2014 First 6 Months Forecast, Overall

Toshiba Group's projections for FY2014 first 6 months consolidated results remain unchanged from those announced on May 8, 2014.

(Yen in billions)

	FY14/1H Forecast	FY13/1H Actual	Difference vs FY13/1H
Net sales	3,100.0	3,000.7	99.3
Operating income (loss)	110.0	106.9	3.1
%	3.5%	3.6%	-0.1%
Income (loss) before income taxes and noncontrolling interests	60.0	53.5	6.5
%	1.9%	1.8%	0.1%
Net income (loss)	24.0	21.5	2.5
%	0.8%	0.7%	0.1%
Earnings (losses) per share attributable to shareholders of the Company	¥5.67	¥5.08	¥0.59

Reasons for Changes in Segment Forecasts

Energy & Infrastructure

Power Systems

- Nuclear power systems is doing well, especially in fuel supply and services, and operating income is expected to be higher than originally planned. One-off costs incurred last year will not recur, and operating income significantly higher than that of last year will be recorded.
- Thermal and hydro power systems business is performing well, especially overseas, winning new orders at a pace that surpasses our original plan.

Social Infrastructure Systems

- Solar photovoltaic systems and overseas Railroad systems are doing well. Operating income will be significantly higher than last year, as originally planned.

Electronic Devices & Components

- Demand of NAND flash memories for smartphones is strong, with sales volume higher than our expectations, and prices have stabilized since the second quarter. Demand of NAND flash memories for SSD is also picking up smoothly.
- Phase 2 of Fab 5 at Yokkaichi Operations was completed on schedule and mass production of NAND flash memories with 15nm process technology will start from this month.

Reasons for Changes in Segment Forecasts

Lifestyle Products & Services

- The PC business reported positive operating income in the first quarter. Nonetheless, in light of industry trends and future expectations, we have decided to implement further measures to support the business in securing consistent profit.
  - Accelerate shift to BtoB area, and downsize BtoC area significantly, including withdrawal from certain BtoC markets.
  - Reduce the number of sales bases around the world from 32 to 13 in FY2014.
  - Reduce global workforce in the PC business by about 900 employees, 20% of the PC business headcount excluding manufacturing, and cut fixed costs by more than 20 billion yen against FY2013.
  - Structural reform costs in the PC business will have an impact of about 45 billion yen on operating income (loss) and about 15 billion yen on non-operating income (loss).

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