

TOSHIBA

Toshiba's Mid-term Business Plan

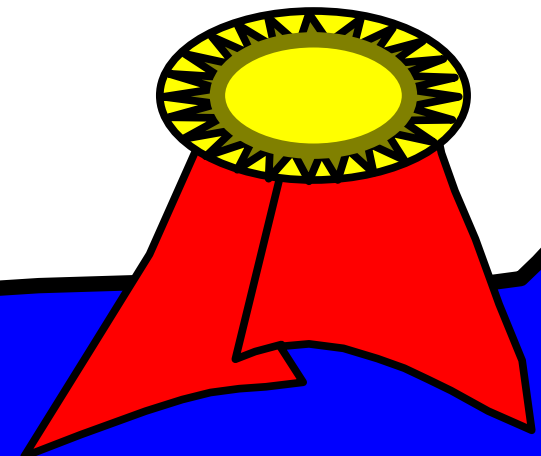
March 21, 2000

Toshiba's Mid-term Business Plan

*For the three fiscal years to March 31,
2003*

*The first mid-term business plan under
the in-house company system*

*Strategies for each company to win in
the highly competitive global
marketplace*





Fundamentals of The Plan

Provision of value-added products and services by fully utilizing IT

Advance in-house company system and create inter-company value chain

Enhance corporate value and corporate governance

Utilize IT to Provide Value Creating Products And Services

-  *Emergence of wireless and mobile technologies*
-  *Product development utilizing world class technologies*

Notebook
PCs



Semicon-
ductors

LCD

Media
cards

Bluetooth

MPEG4

-  *iValue Creation Company to take lead in mobile services business*
-  *Promote B 2 B business*

Promote IT and Establish a New Business Style

Mobile & Network



Provide solutions that meet customer requirements

Create products with the advanced technologies

Advancing The In-house Company System and Create an Inter-company Value Chain

*Strategies to make each company a
winner*

*Collaboration of companies in products,
components, systems, services and content*

Inter-company Value Chain

Inter-company Value Chain

	S&S	DM	Semiconductor	DDC	iVC	PS	HA
Media Card		SD Card Application Products	Flash Memory		Content Distribution		
Mobile	Wireless Products Satellite	PC/ Cellular	Telecom LSI	LCD/ Battery	Content		
Network Home Appliances		Network AV Digital TV	System LSI	LCD Battery	Content Distribution		Digital White goods
Digital Broadcasting Service	Mobile Data Broadcasting				BtoC Content		
Internet Service	BtoB ASP				BtoC Content		
ITS/ Automotive	Infrastructure Application System	PC for car	System LSI CPU	LCD		Fuel Cell	

Enhancing Corporate Value and Heightening Corporate Governance

*Heighten customer satisfaction by creating
value-added products and services*

Enhance corporate value

Reinforce Financial Status

Intensive cash-flow oriented management
cash-flow increase
¥100 billion + (FY99)

Create value and profits exceeding the
cost of investment

ROI

ROE

Free cash-flow

Enhancing Corporate Value and Heightening Corporate Governance

*Win satisfaction from stakeholders: customers,
shareholders, employees and the local community*

Increase disclosure

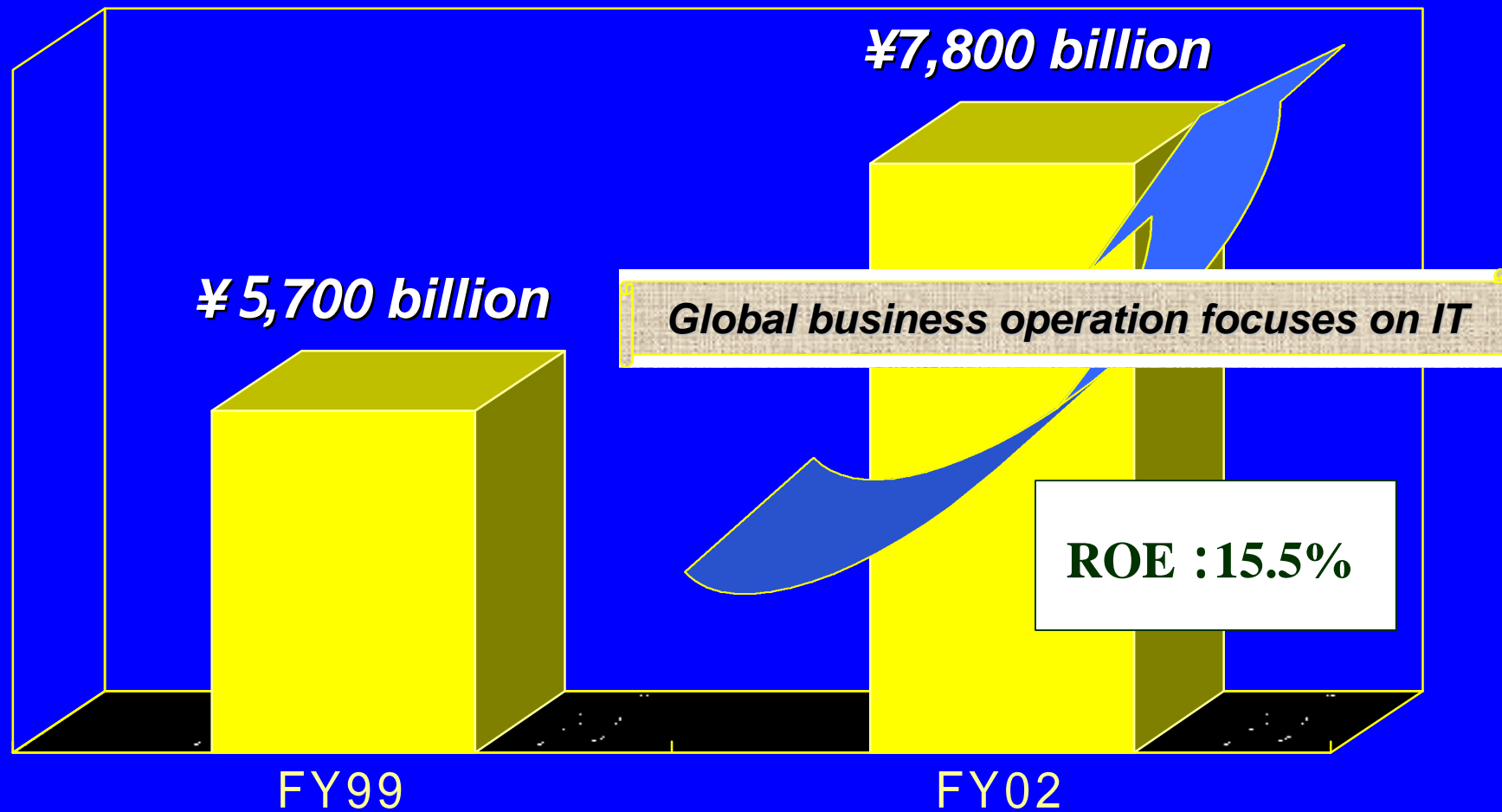
Outline

Consolidated

Billion yen

	FY99 (Projection)		FY00 (Plan)		FY02 (Plan)	
	Amount	%against FY1998	Amount	%against FY1999	Amount	% against FY1999
Sales	5,700	108%	6,100	107%	7,800	137%
Operating Income	100	328%	200	200%	420	420%
Net Profit/ Loss	-30	-	100	-	200	-

Achieving High Growth

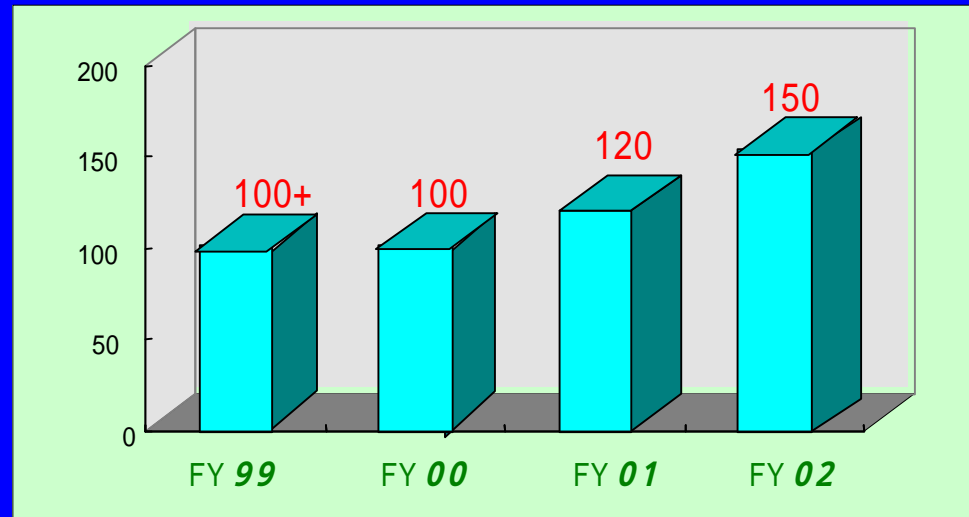


Emphasize Cash-flow Management

- Reduce total debt in consolidated-base -

Maximization of cash-flow aimed to increase company value

Increase cash-flow ¥370 billion in three years



Reduce total debt in consolidated-base (FY02 D/E ratio 100%)

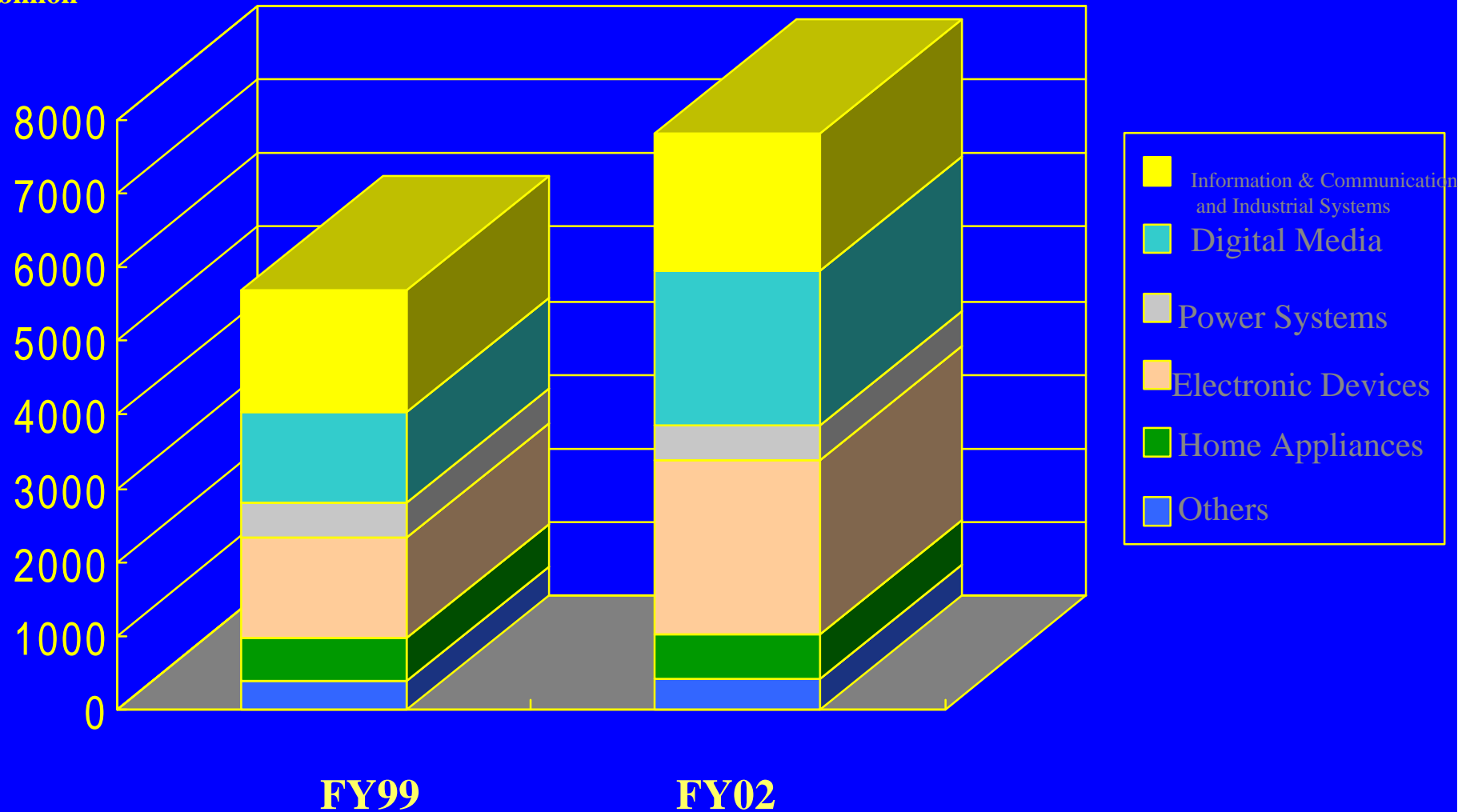
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	(¥billion)	
	FY99	FY02
Total debt	1,990	1,750
D/E ratio (%)	146	89

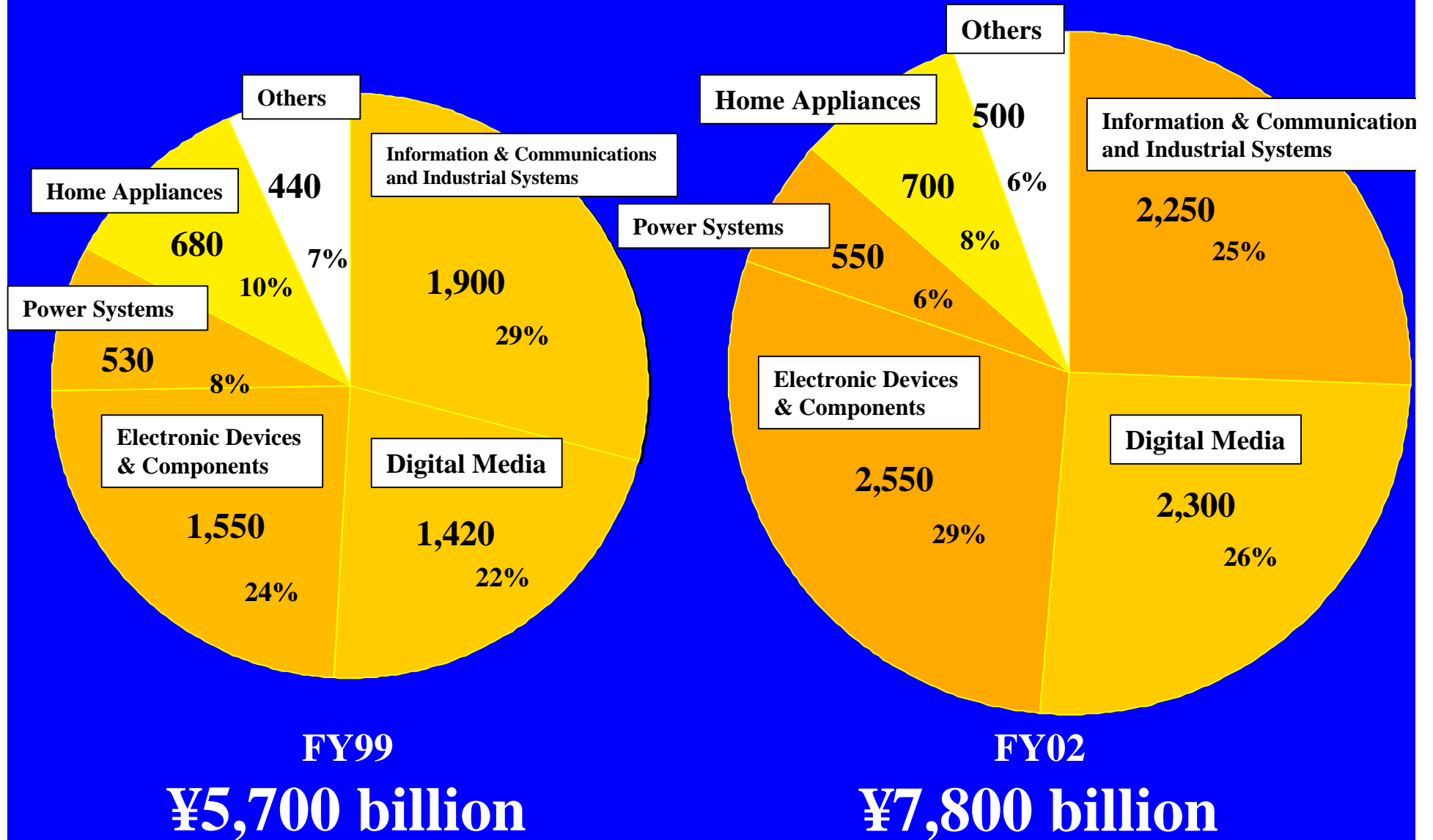
(exclude Toshiba Credit Corp. and Toshiba Building & Lease Corp.)

Sales by Segment

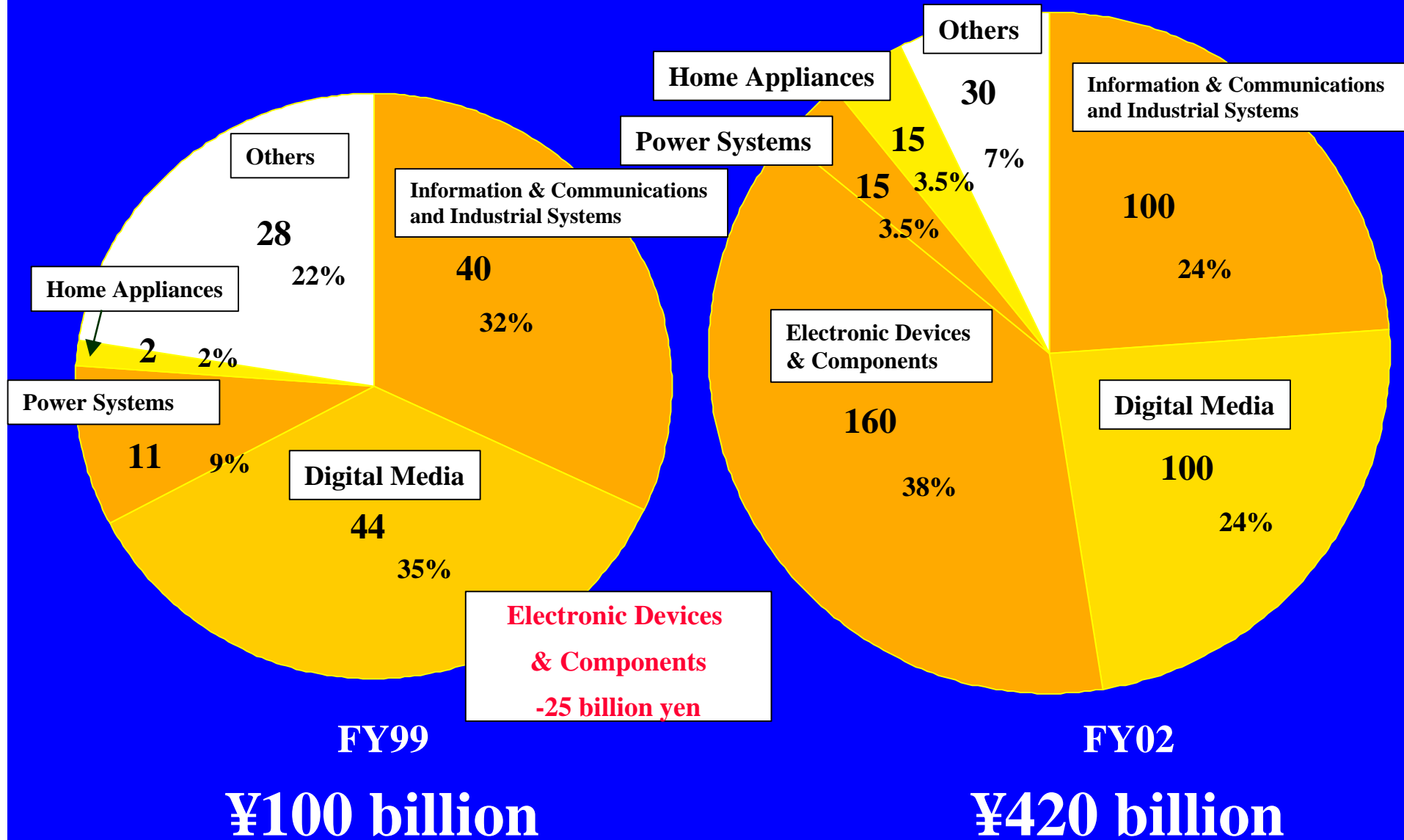
¥ billion



Sales by Segment



Operating Income by Segment



Essentials for Mid-term Business Plan

Growth by focusing on IT business

Establish solid profit base

Establish new management style

Growth by Focusing on IT Business

*System solutions,
services, contents*

Mobile network equipment

Components

Reinforce Internet Business

i-Value Creation

Mobile Internet service

BtoC business

Content business

**Advanced Systems by
Internet Technologies**

electric administration system for government

Retail/ manufacturing/ Financing

e-Net Division

BtoB / System solution

Digital broadcasting

ITS

Wireless access

*500 billion yen
in FY2003*

Focusing on Mobile and Network-related fields

Notebook PCs

Next-generation cellular phone, W-CDMA

Mobile AV network products

Media cards

Digital broadcasting

Notebook PC Business

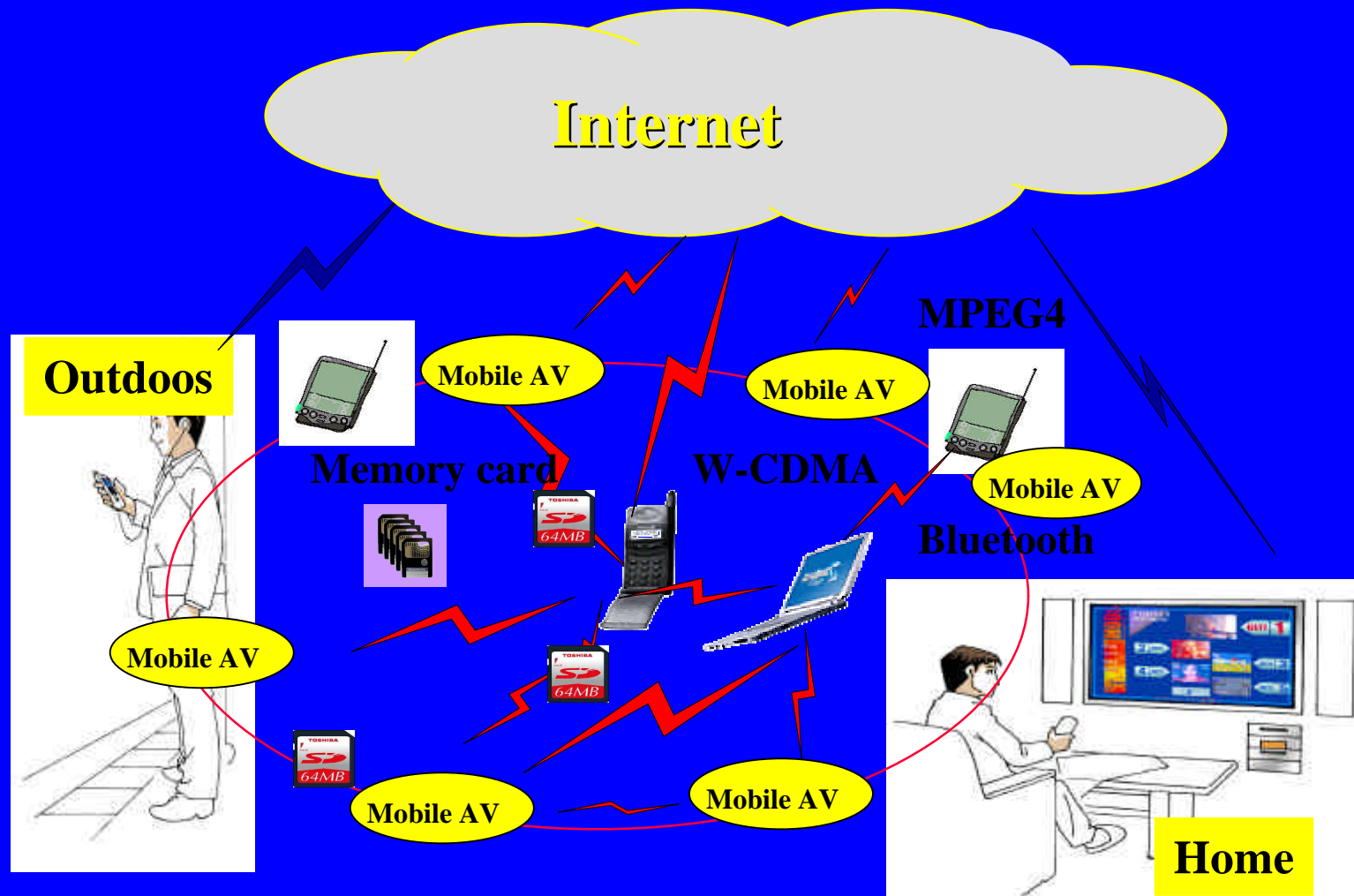
Provide attractive products that define market trend and expand business in services

Reinforce competitiveness and improve customer satisfaction through the completion of global SCM and CRM systems

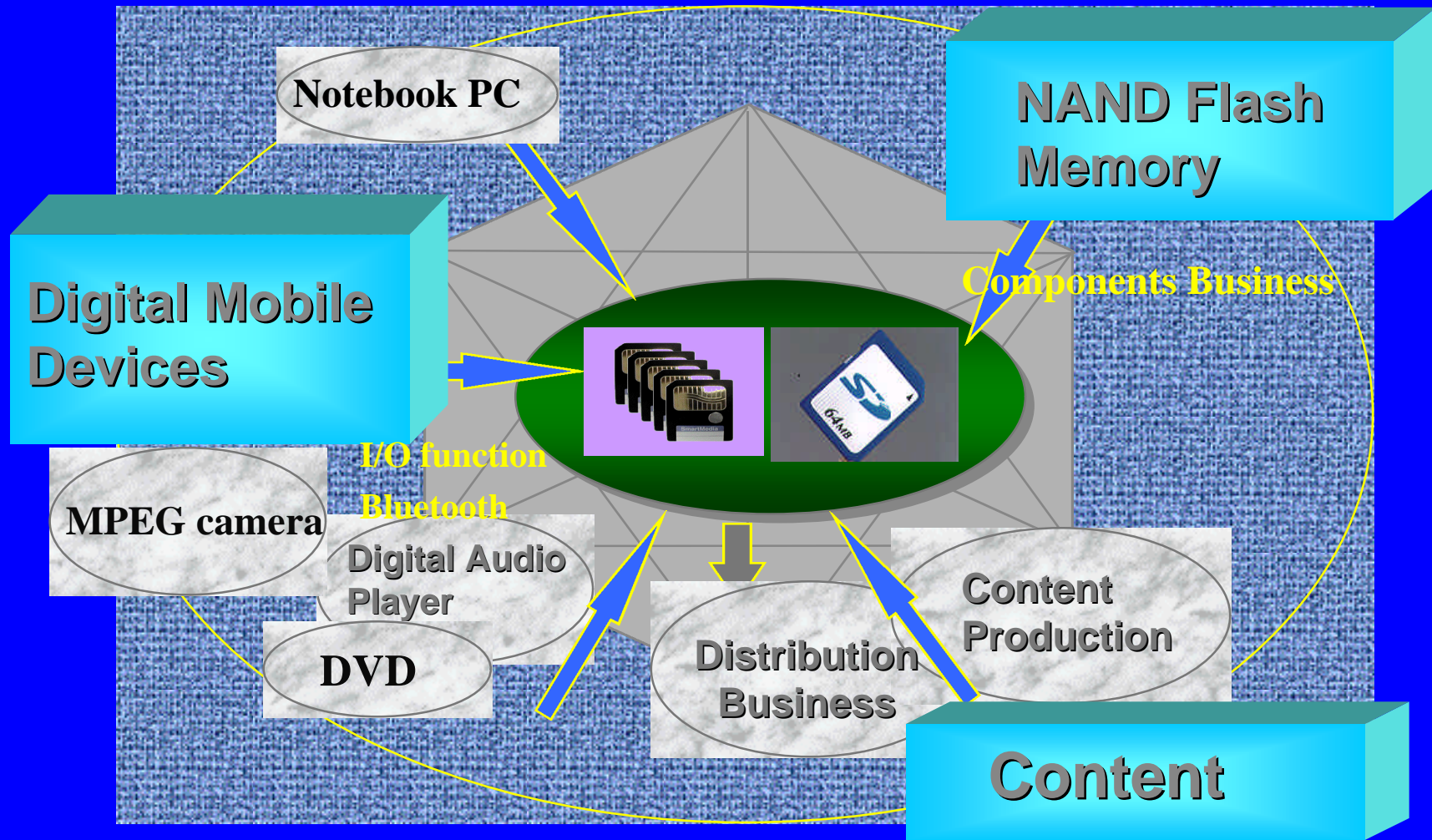
W-CDMA Business

- **Opening of broadband era in Japan**
- **Establish W-CDMA Business Development Division**
- **The world's first MPEG4 single chip LSI**

Mobile AV Network



Media Card Business



Strengthening The Components Business

Semiconductors

System LSI
NAND flash memory

LCDs

Polysilicon LCDs

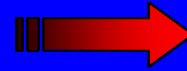
Rechargeable Batteries

Concentrate resources on mobile network

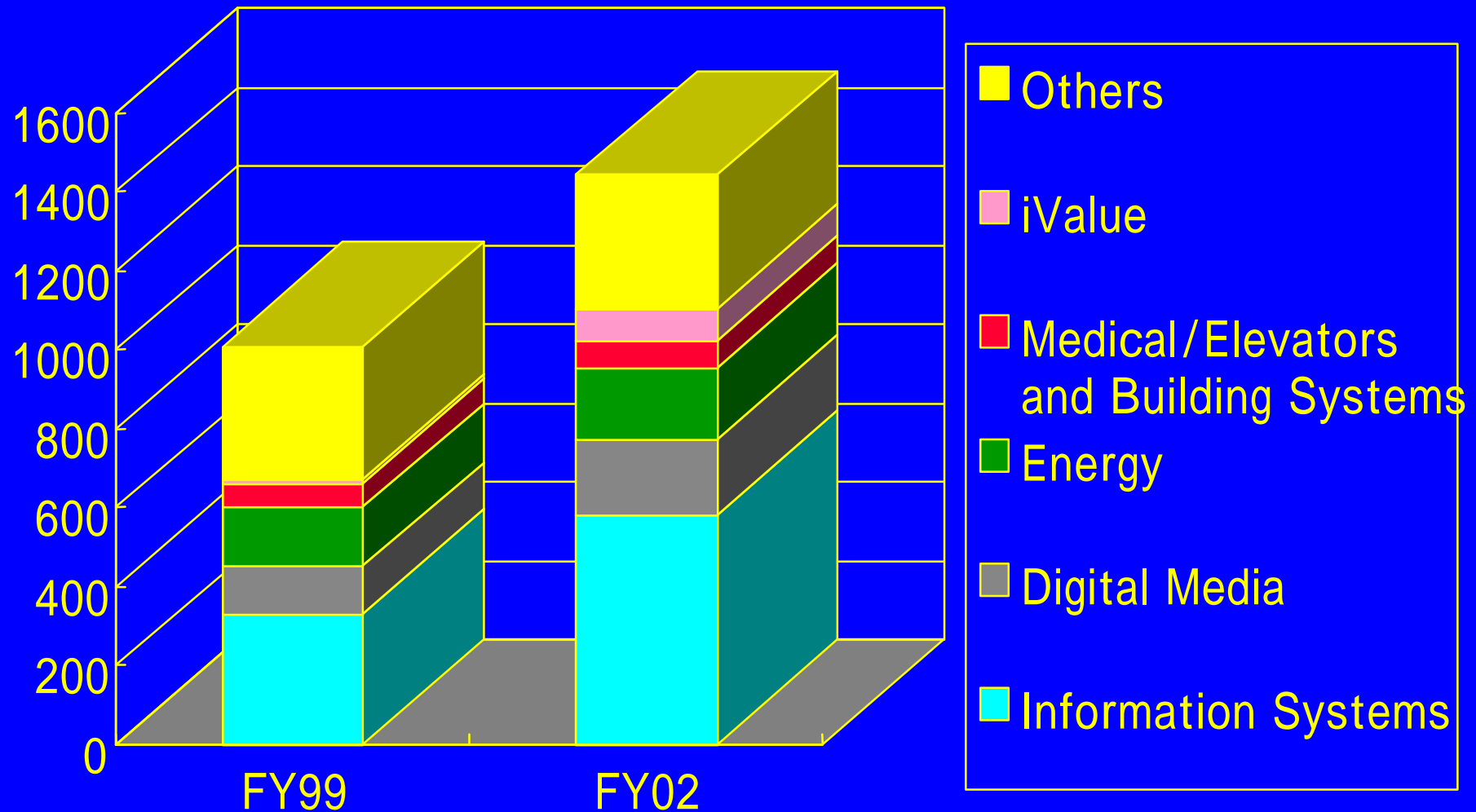
Strengthen Services Business

Billion yen

1,050



1,550

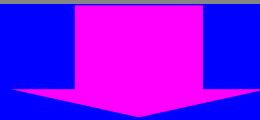


Establish a Solid Profit Base

- Review The Organizational Structure -

*power systems, consumer products,
medical systems, elevator & escalator
systems, industrial equipment*

- Globalization through alliances
- Reshape business structure
- Reshape business portfolios



Stabilize and improve profitability

Acceleration of IT-based Management

Enhance productivity by strategic utilization of IT

 **¥150 billion investment in IT over three years**

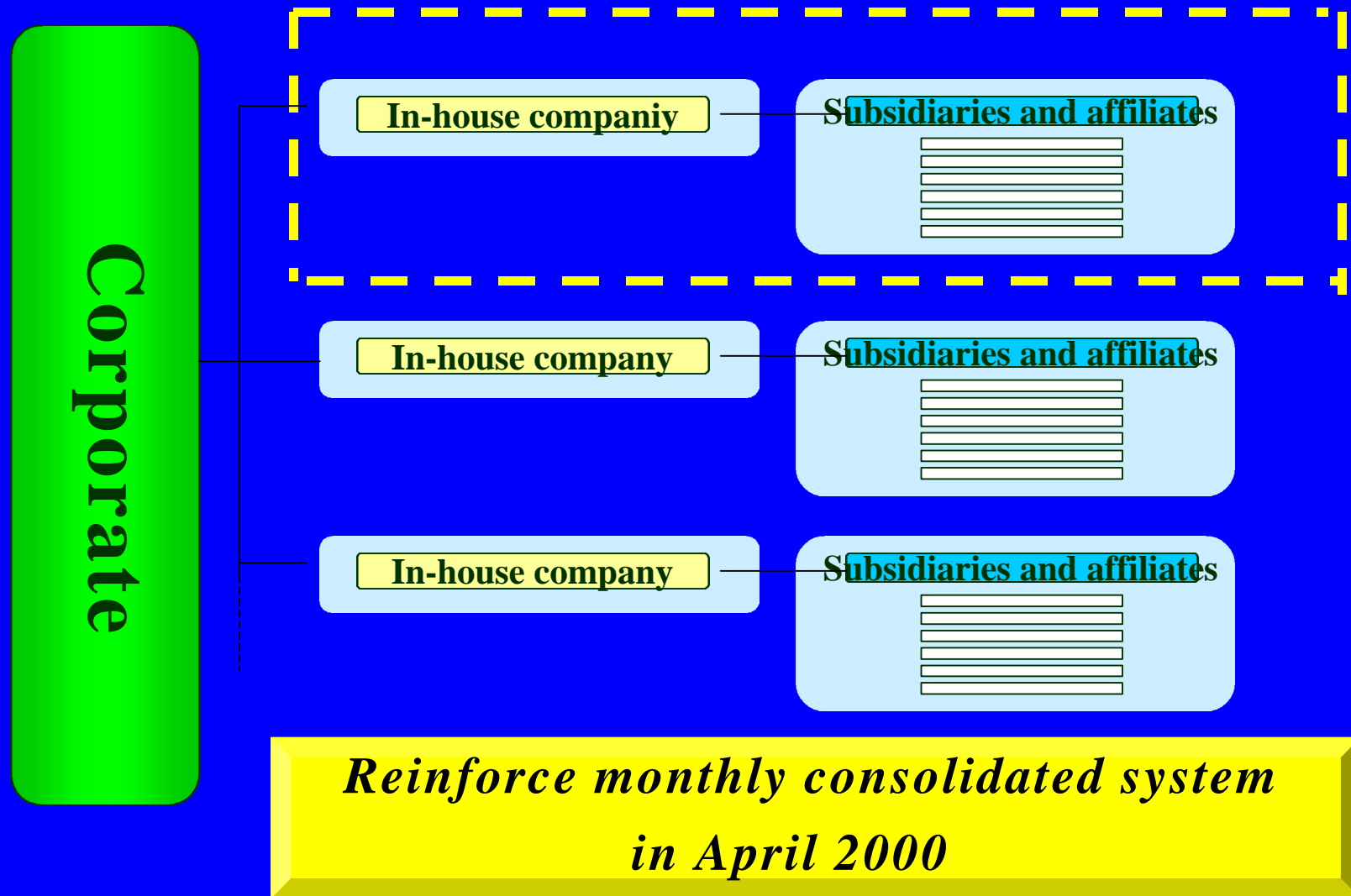
100% on-line procurement

 **procurement costs for FY2002 to be
¥200 billion lower than in FY1999**

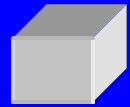
**Introduce integrated SCM, CRM, ERP system
in semiconductor and PC business**

 **Improve customer service**

Group Management



Shape A New Corporate Culture

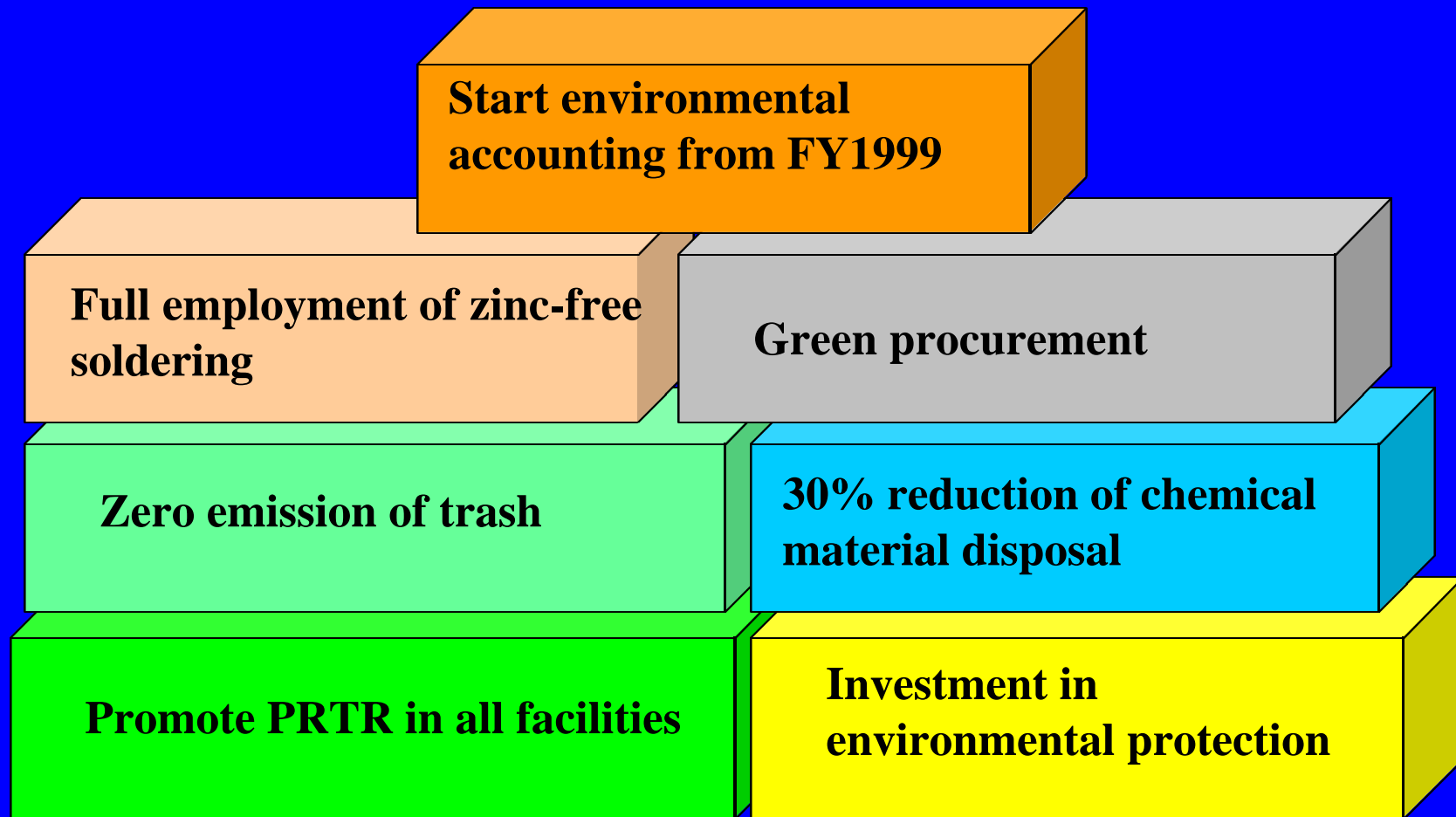


Thorough implementation of Management Innovation 2001 program

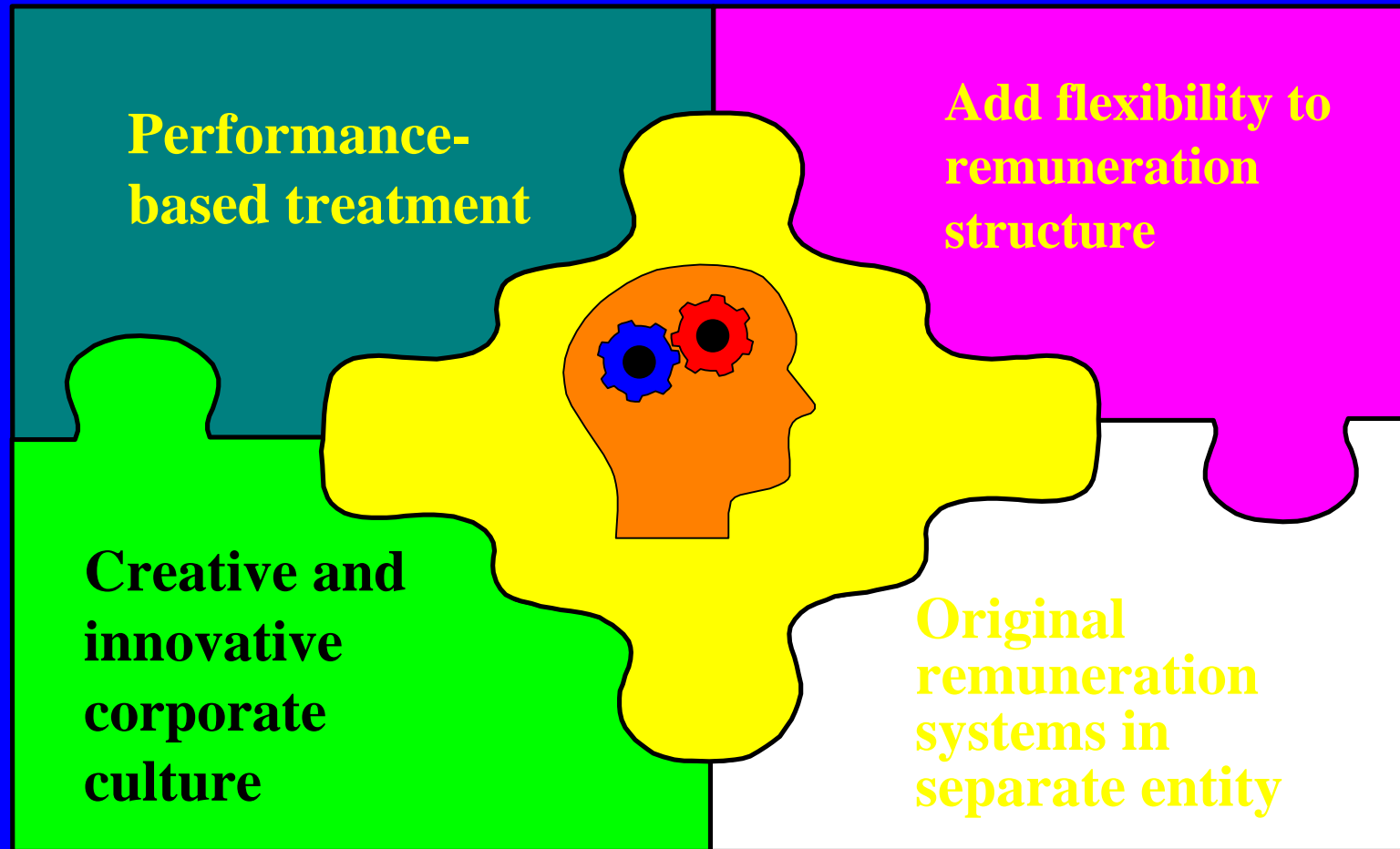
- Introduced in April, 1999 to all in-house companies
- Concrete targets utilizing IT
- **¥560 billion** in improvement over three years



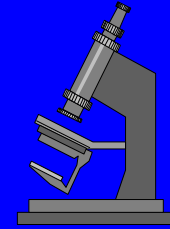
Environmental Management



Performance-based Human Resources Evaluation



Resource Investment Plan



Investment in products and technologies to maintain superior competitiveness

Over ¥350 billion investment in R&D

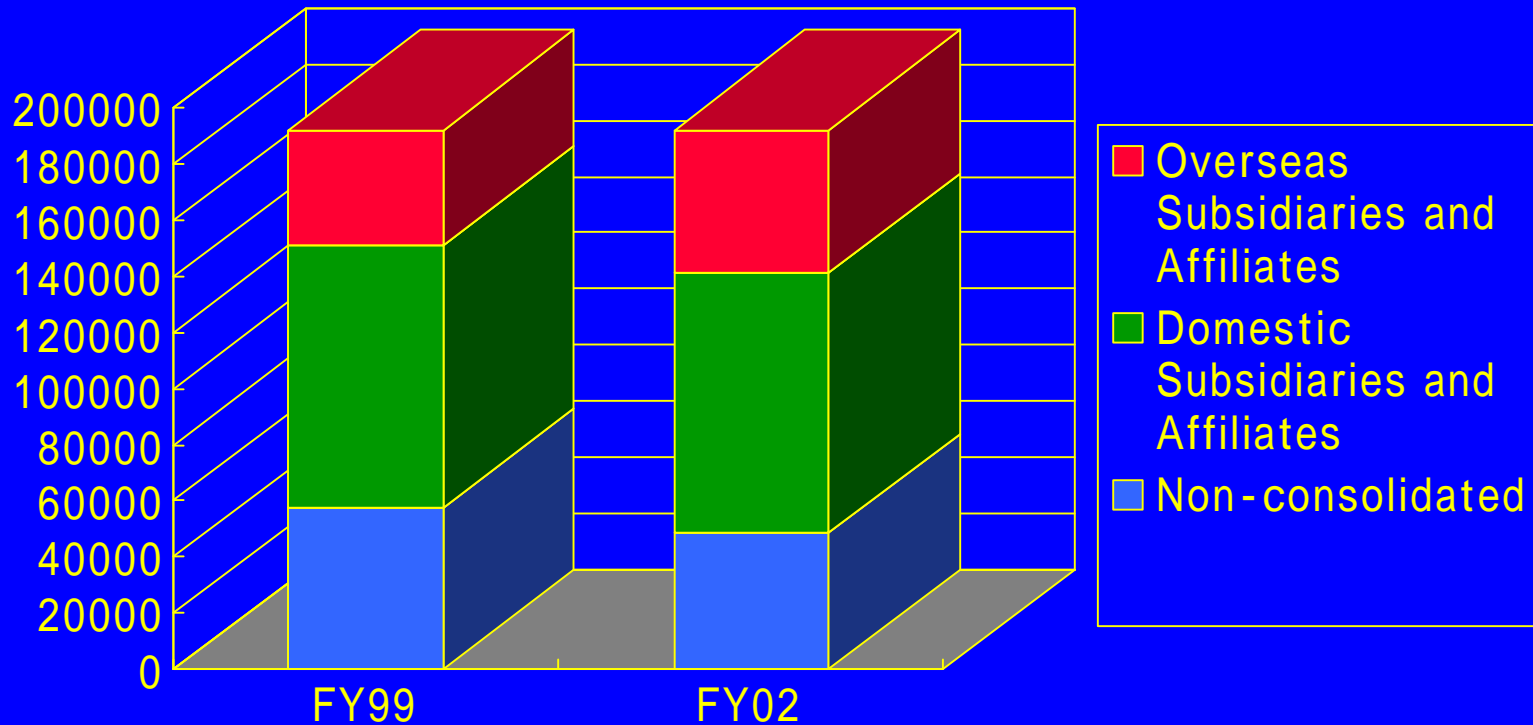
Centering on IT and components

¥350 billion for capital expenditure



Head Count Plan

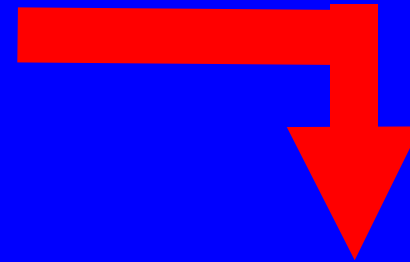
192,000  190,500



Non-Consolidated	57,300	48,500
Domestic	151,000	142,500
Overseas	41,000	48,000
Consolidated	192,000	190,500

Toshiba in The 21st century

*Contribute to society
through products and
services*



A value-creating company

*Achieve continuous high
growth and high profit*

