

# **TOSHIBA**

**Leading Innovation >>>**

---

# **FY2011 First Nine Months and Third Quarter Consolidated Business Results**

**Makoto Kubo**

**Representative Executive Officer and  
Corporate Executive Vice President**

**TOSHIBA CORPORATION**

**January 31, 2012**

# 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.
- 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 nine 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 First 9 Months of FY2011

- **Net Sales and Operating income decreased YoY\*, affected by sharp yen appreciation, sluggish markets in Europe and the United States and the impact of the earthquake in Japan and flooding in Thailand**

➤ Net Sales:	4,353.9 billion yen (YoY: -315.7 billion yen)
➤ Operating Income:	90.8 billion yen (YoY: -51.5 billion yen)
➤ Income before income taxes and noncontrolling interests:	32.6 billion yen (YoY: -55.4 billion yen)
➤ Net Income:	12.1 billion yen (YoY: -28.1 billion yen)

-Increased YoY sales in Social Infrastructure

-A solid performance in Social Infrastructure, which saw the same level of operating income YOY, and increased income in Home Appliances

- **Lower third quarter Net Sales and Operating income YoY, but with higher sales and income in Social Infrastructure and higher income in Electronic Devices**

- **Financial forecast for FY 2011 is revised as below**

➤ Net Sales:	6,200.0 billion yen (YoY: -198.5 billion yen)
➤ Operating Income:	200.0 billion yen (YoY: -40.3 billion yen)
➤ Net Income:	65.0 billion yen (YoY: -72.8 billion yen)

\* YoY: year-on-year comparison

# FY2011 First 9 Months, Year-on-Year

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

	FY11/ 1-3Q	FY10/ 1-3Q	Difference
			vs. FY10/1-3Q
Net Sales	4,353.9	4,669.6	-315.7
Operating Income (loss)	90.8	142.3	-51.5
%	2.1%	3.0%	-0.9%
Income (loss) from continuing operations, before income taxes and noncontrolling interests	32.6	88.0	-55.4
%	0.7%	1.9%	-1.2%
Net Income (loss)*	12.1	40.2	-28.1
%	0.3%	0.9%	-0.6%
Earning (losses) per share attributable to shareholders of the Company**	¥2.85	¥9.49	-¥6.64

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

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

# FY2011 First 9 Months by Segment, Year-on-Year

(¥ billions)

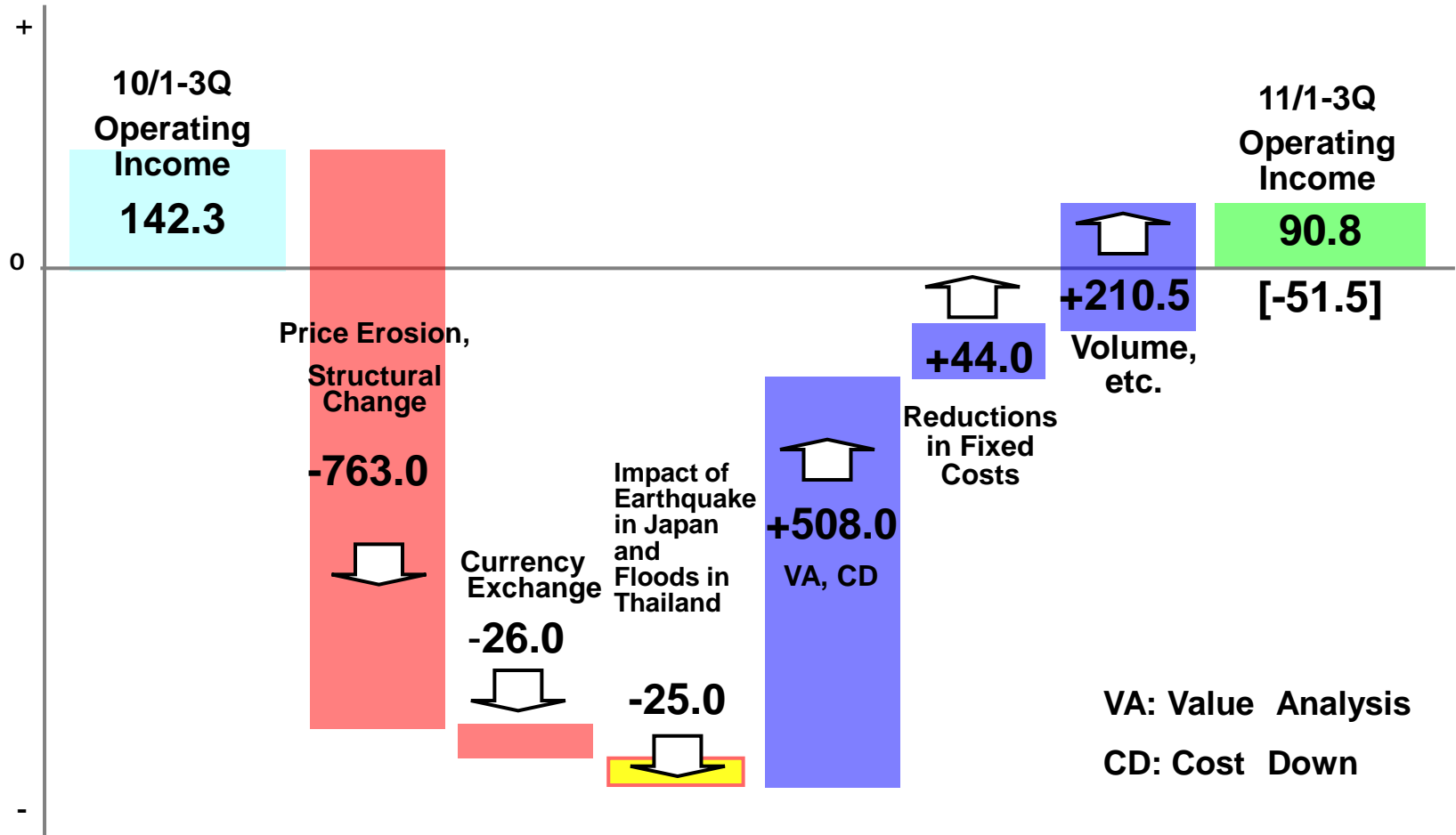
Net Sales	FY11/ 1-3Q	FY10/ 1-3Q	Difference
			vs. FY10/1-3Q
Digital Products	1,293.6	1,511.1	-217.5
Electronic Devices	1,183.8	1,320.6	-136.8
Social Infrastructure	1,558.3	1,503.7	54.6
Home Appliances	440.9	446.3	-5.4
Others	240.0	249.1	-9.1
Total	4,353.9	4,669.6	-315.7

Operating Income (Loss)	FY11/ 1-3Q	FY10/ 1-3Q	Difference
			vs. FY10/1-3Q
Digital Products	-11.3	23.0	-34.3
%	-0.9%	1.5%	-2.4%
Electronic Devices	54.5	74.0	-19.5
%	4.6%	5.6%	-1.0%
Social Infrastructure	38.7	40.0	-1.3
%	2.5%	2.7%	-0.2%
Home Appliances	6.8	4.1	2.7
%	1.5%	0.9%	0.6%
Others	1.0	0.0	1.0
%	0.4%	0.0%	0.4%
Total	90.8	142.3	-51.5
%	2.1%	3.0%	-0.9%

# Operating Income (Loss), FY2010 and FY2011, First 9 Months

(¥ billions)

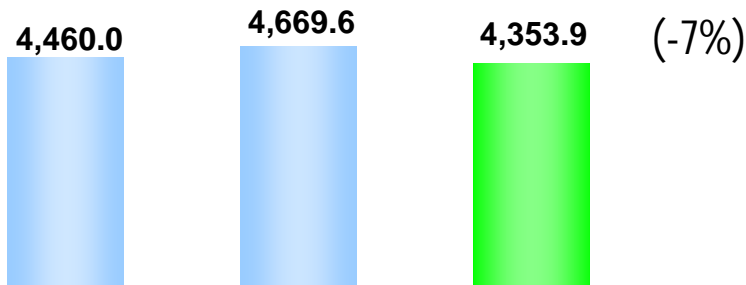
[ ] = Year-on-year comparison



# Overview, FY2011 First 9 Months Results

(¥ billions)

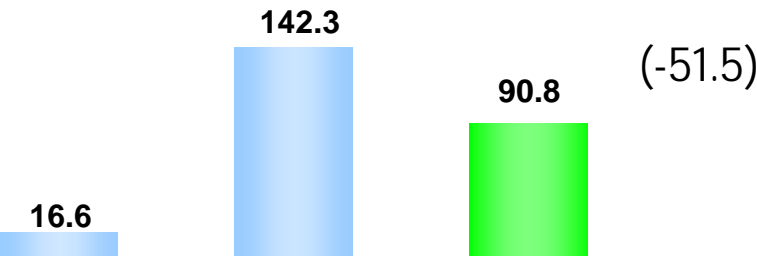
[ ] = Year-on-year comparison



## Lower Sales

Increased sales in Social Infrastructure; Home Appliances sales at almost the same level as a year earlier

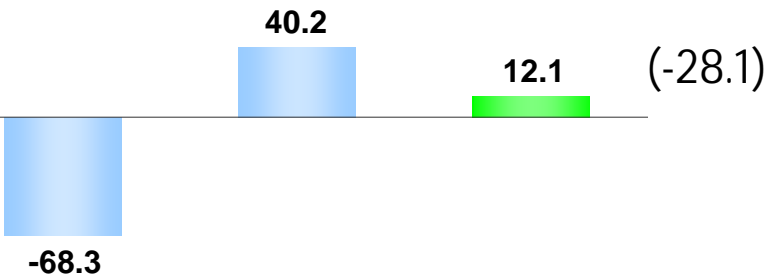
Net Sales 09 10 11



## Lower Operating Income

Electronic Devices and Social Infrastructure secured profit but saw lower income; Home Appliances saw higher income

Operating Income (loss) 09 10 11



## Lower Net Income

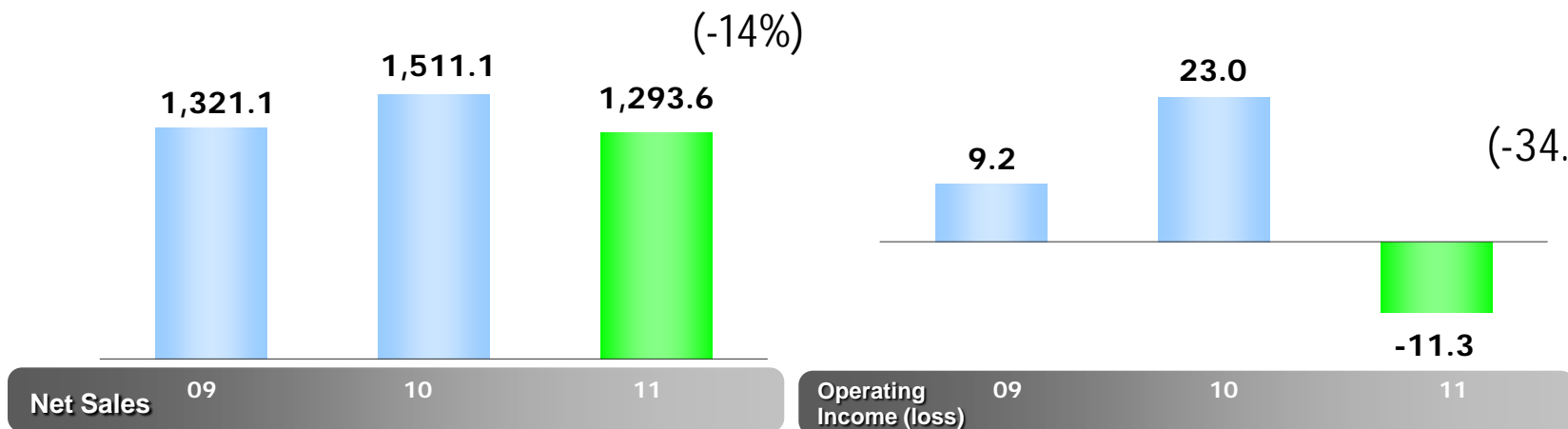
Remained in the black despite lower operating income and a decrease in net income

Net Income (loss) 09 10 11

# Digital Products, FY2011 First 9 Months

(¥ billions)

[ ] = Year-on-year comparison



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

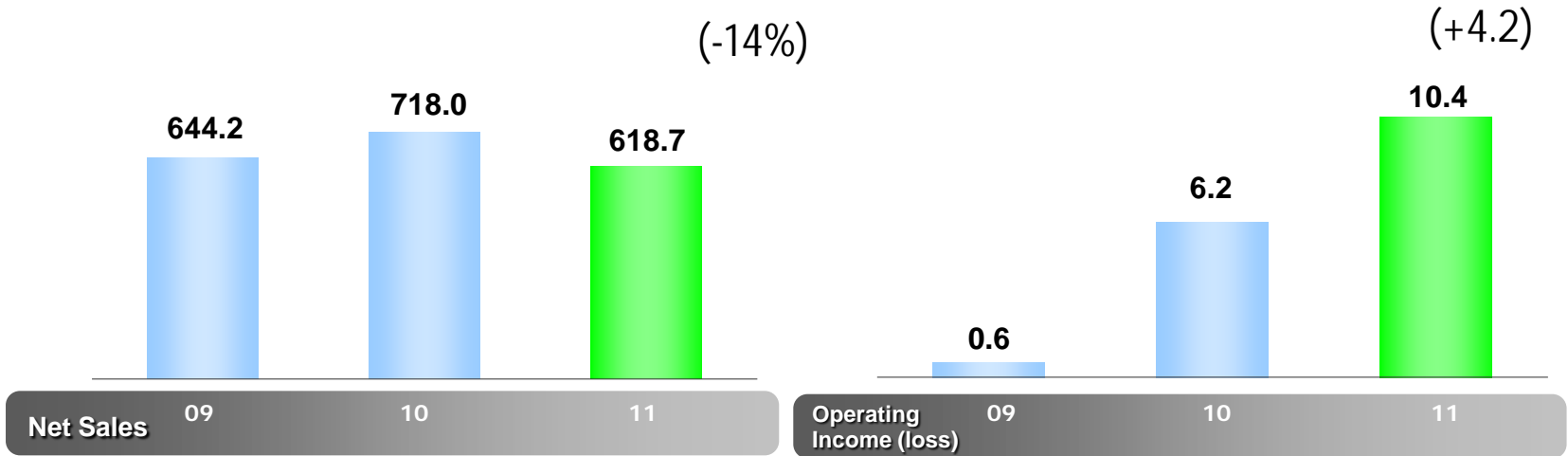
■ Operating income was higher in PCs, but the impacts of price erosion and lower demand for LCD TVs, mainly in Japan on completion of the transition to digital terrestrial broadcasting, brought the segment into the red.



# PC Business, FY2011 First 9 Months

(¥ billions)

[ ] = Year-on-year comparison



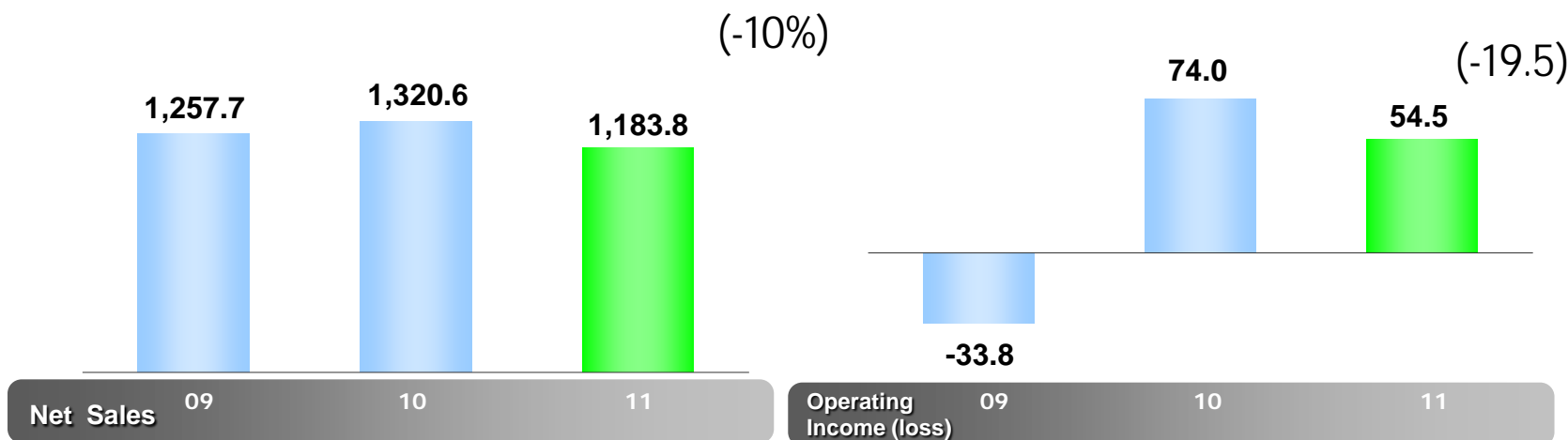
■ Sales grew in Japan, but the impact of yen appreciation and lower demand in Europe and the United States resulted in lower sales.

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

# Electronic Devices, FY2011 First 9 Months

(¥ billions)

[ ] = Year-on-year comparison



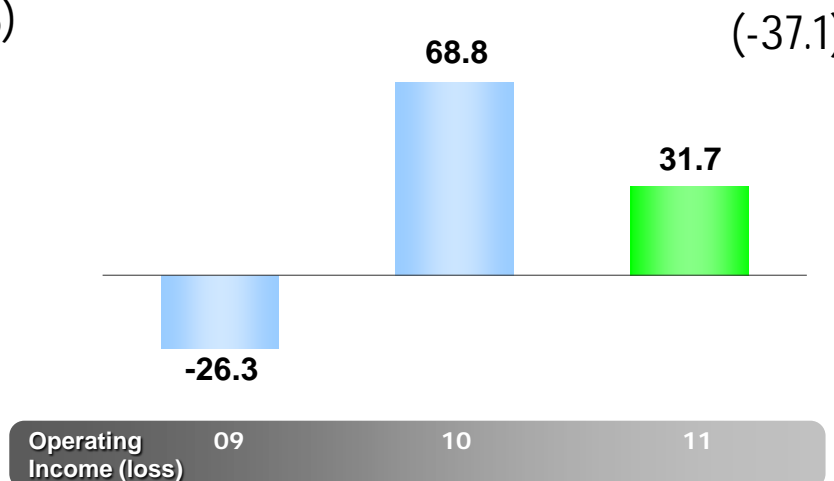
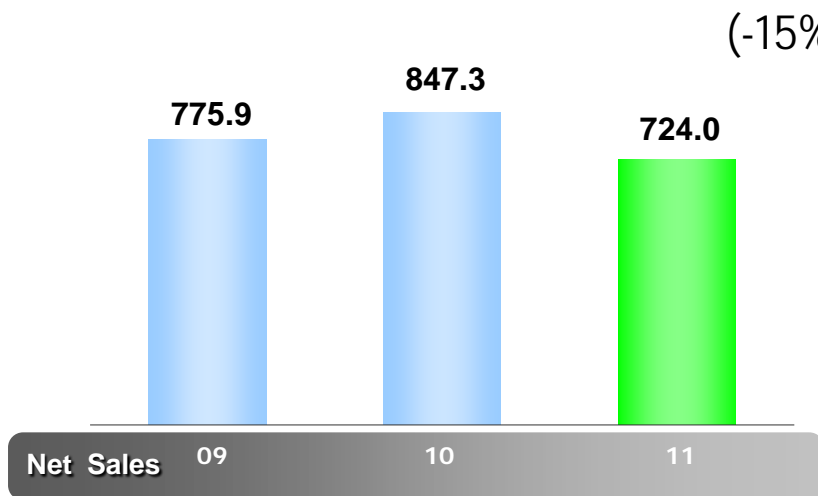
■ The Electronic Devices segment saw overall sales decrease, reflecting the impact of yen appreciation and such impacts as sluggish demand for consumer devices resulting from the earthquake in Japan and flooding in Thailand.

■ Operating income was higher in the Storage Products and LCD businesses, but lower overall segment income reflected lower income in semiconductors due to yen appreciation, the impact of the flooding in Thailand and lower demand that could not be overcome by cost reduction measures.

# Semiconductor Business, FY2011 First 9 Months

(¥ billions)

[ ] = Year-on-year comparison



■ Lower net sales reflected the impact of yen appreciation and lower prices on Memories and lower demand for System LSIs and Discretes.

■ Lower operating income reflected the impacts of yen appreciation and lower prices for Memories and lower demand for System LSIs and Discretes.

# Semiconductor Business Results Breakdown

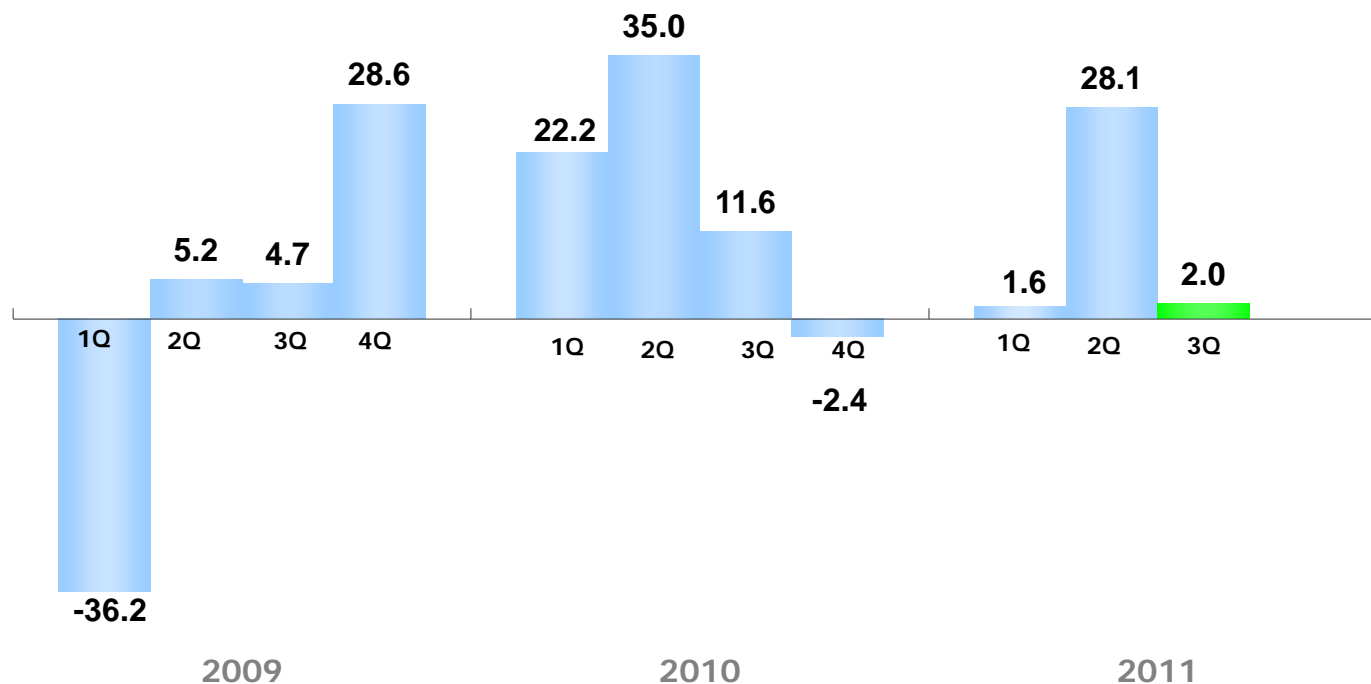
(¥ billions)

Net Sales	FY11/ 1-3Q	FY10/ 1-3Q	vs. FY10/1-3Q
Discrete	130.5	148.6	-18.1
System LSI	200.2	253.5	-53.3
Memory	393.3	445.2	-51.9
Semiconductor Total	724.0	847.3	-123.3

Operating Income (loss)	FY11/ 1-3Q	FY10/ 1-3Q	vs. FY10/1-3Q
Semiconductor Total	31.7	68.8	-37.1
%	4.4%	8.1%	-3.7%

# Semiconductor Business Quarterly Trend in Operating Income (Loss)

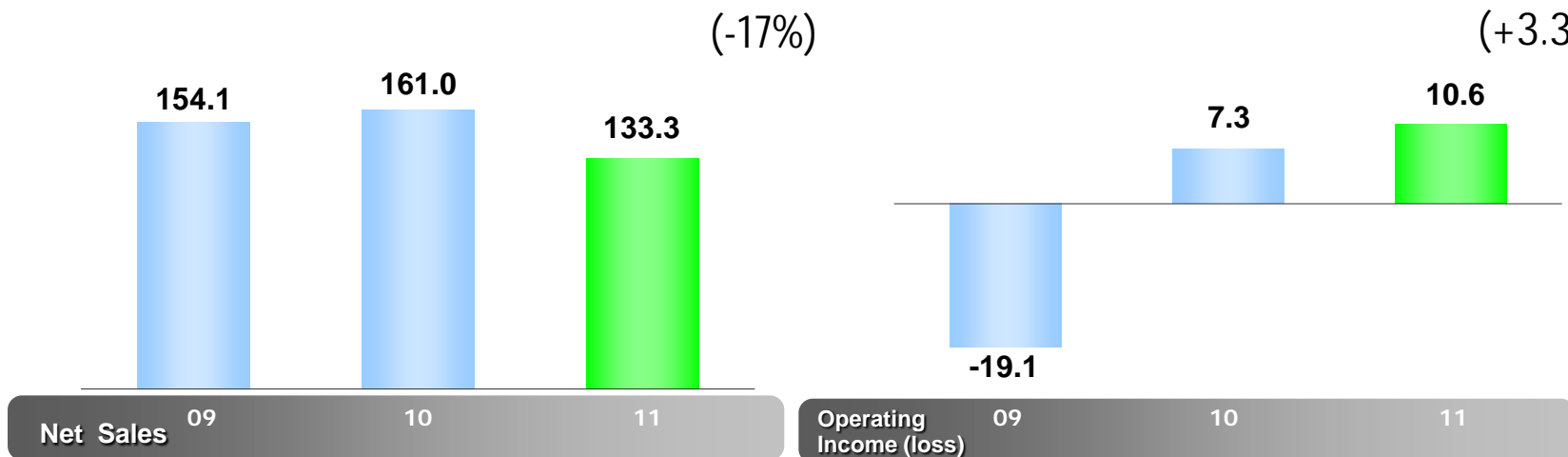
(¥ billions)



# LCD Business, FY2011 First 9 Months

(¥ billions)

[ ] = Year-on-year comparison



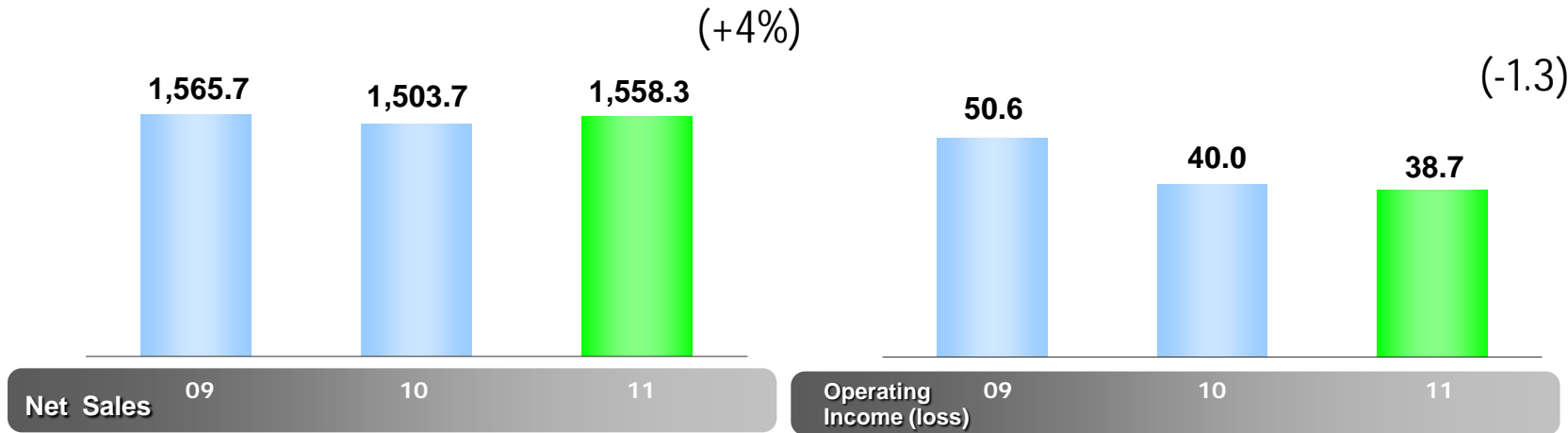
■ Lower sales resulted from the sale of an overseas subsidiary that manufactured PC displays and, in part, the impact of the earthquake in Japan.

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

# Social Infrastructure, FY2011 First 9 Months

(¥ billions)

[ ] = Year-on-year comparison



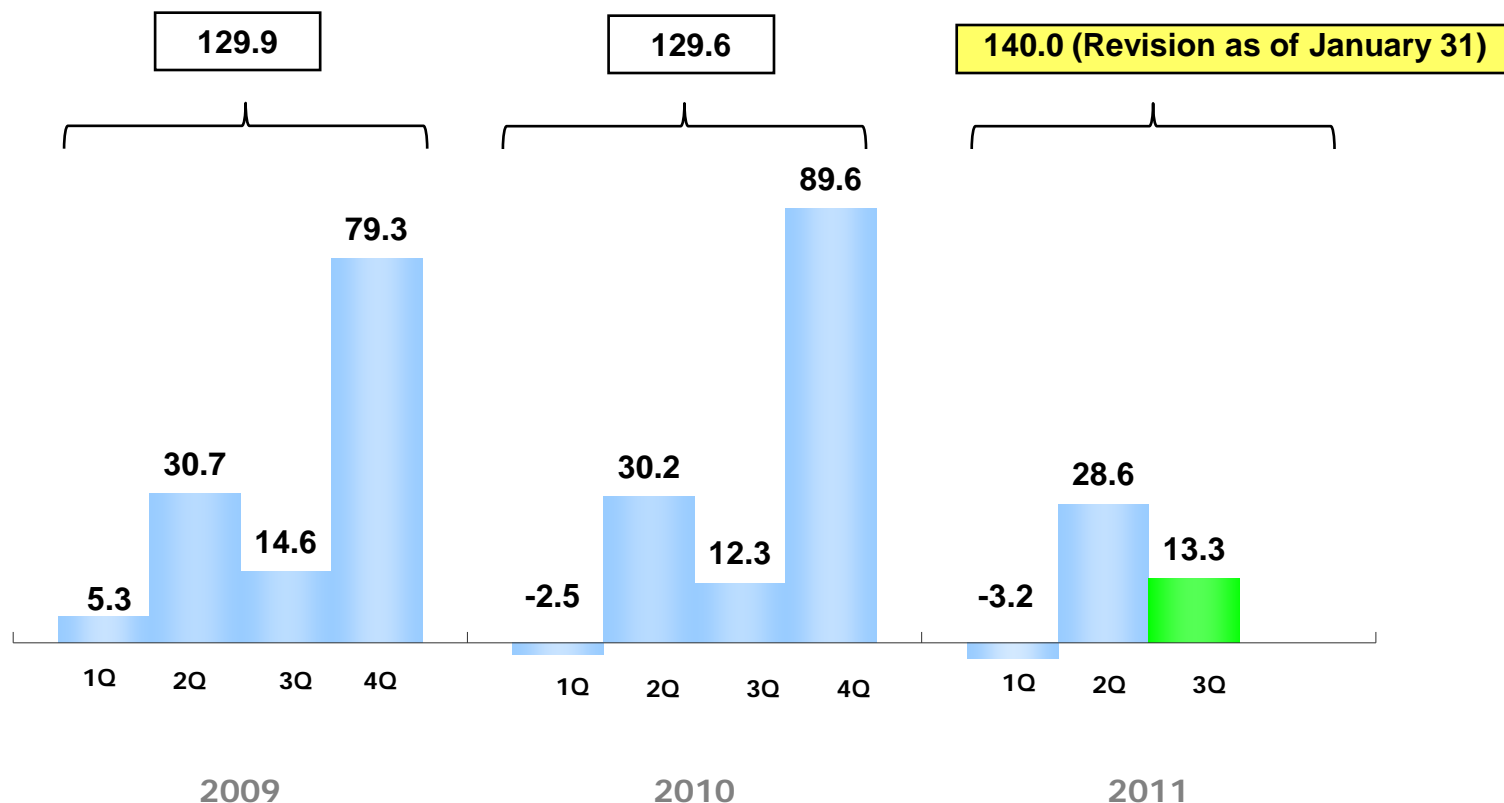
- A continuing healthy performance in Thermal & Hydro Power Systems and the positive impact in acquiring Landis+Gyr AG resulted in higher sales, despite the impact of yen appreciation.

- Secured the same level of overall operating income as in the same period last year, reflecting a healthy performance in Thermal & Hydro Power Systems, the positive impact of acquiring Landis+Gyr AG and increased operating income in IT solutions and Medical Systems, even though Transmission and Distribution saw lower operating income.

# Social Infrastructure Business

## Quarterly Trend in Operating Income (Loss)

(¥ billions)

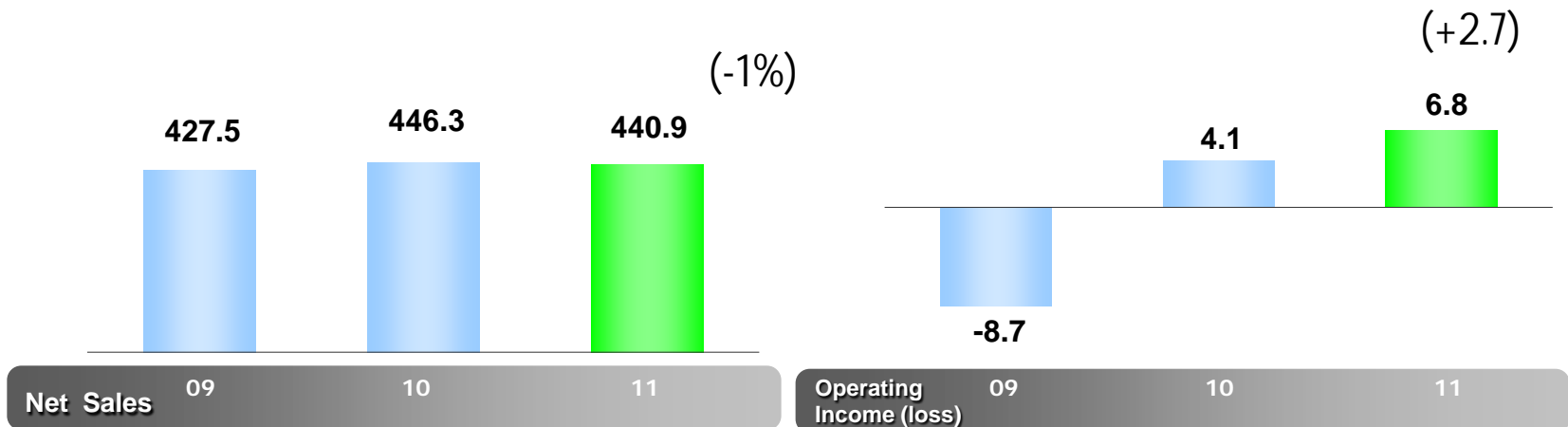




# Home Appliances, FY2011 First 9 Months

(¥ billions)

[ ] = Year-on-year comparison



■ White goods were in lower demand from October and affected by the flooding in Thailand, but LED Lighting saw increased sales, stimulated by a rise in demand for energy efficient products that consume less power; overall sales remained at the same level as for the previous year.

■ Despite the impact of the flooding in Thailand, higher operating income reflected increased sales in LED Lighting and the results of business restructuring.

# Non-Operating Income (Loss) and Expenses

(¥ billions)

	FY11/ 1-3Q	FY10/ 1-3Q	Difference vs.FY10/1-3Q
	Loss from revaluation of securities	-9.1	-0.6
Income (loss) on sales fixed assets	1.2	-6.1	7.3
Equity in earning of affiliates	9.8	8.8	1.0
Foreign exchange loss	-23.9	-8.2	-15.7
Net financial loss	-15.2	-18.5	3.3
Others	-21.0	-29.7	8.7
Total	-58.2	-54.3	-3.9

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

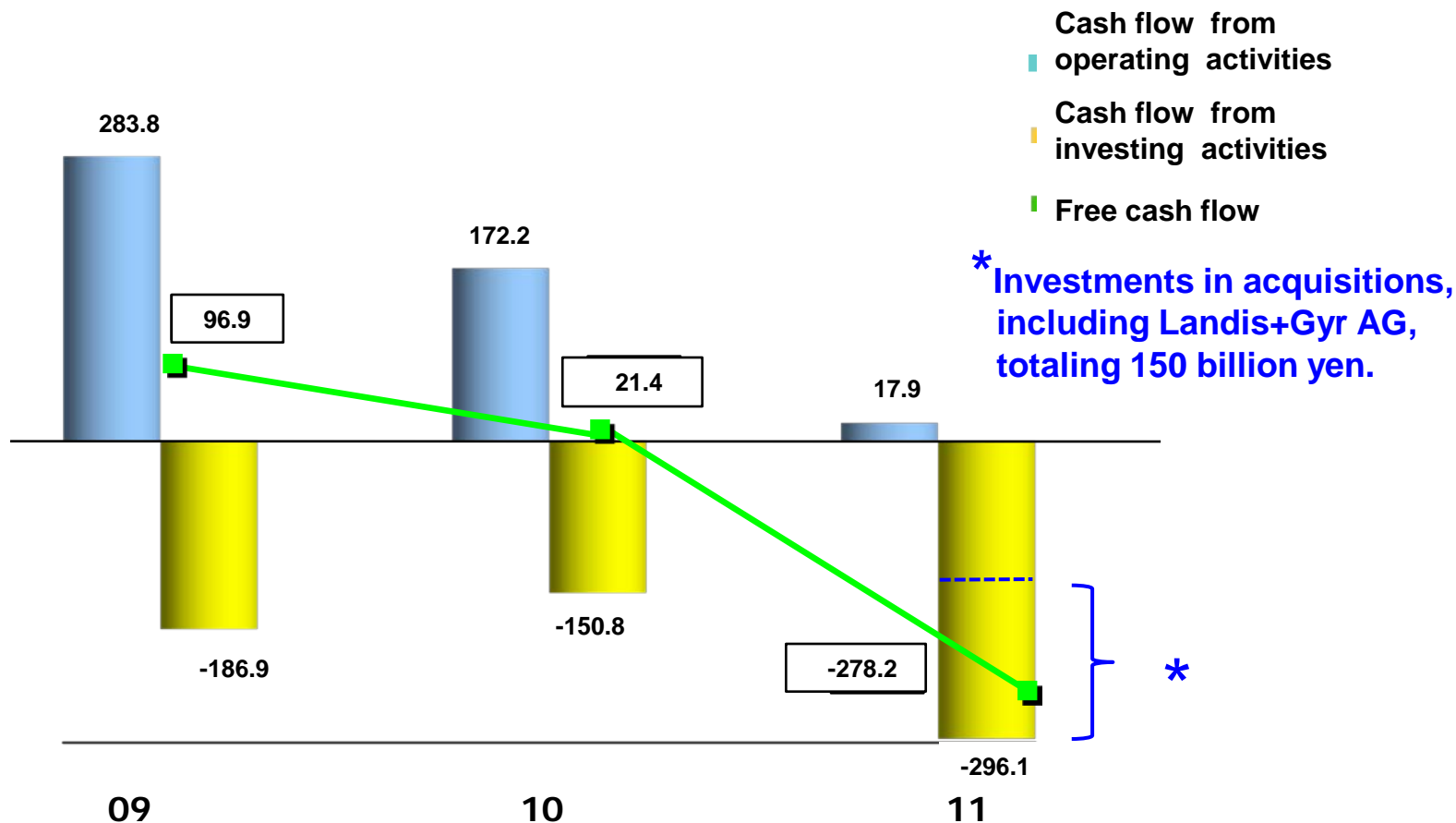
(¥ billions)

	FY11/1-3Q	FY10/1-3Q	Difference
			vs. FY10/1-3Q
Income (loss) from continuing operations, before income taxes and noncontrolling interests	32.6	88.0	-55.4
Income tax	-13.1*	-32.6	19.5
Income (loss) from discontinued operations, before noncontrolling interests	-0.6	-7.6	7.0
Net income (loss) attributable to noncontrolling interests	-6.8	-7.6	0.8
Net income (loss)	12.1	40.2	-28.1

\* These figures include anticipated results from the tax system amendment bill enacted at the end of November 2011

# Cash Flows, FY2011 First 9 Months

(¥ billions)

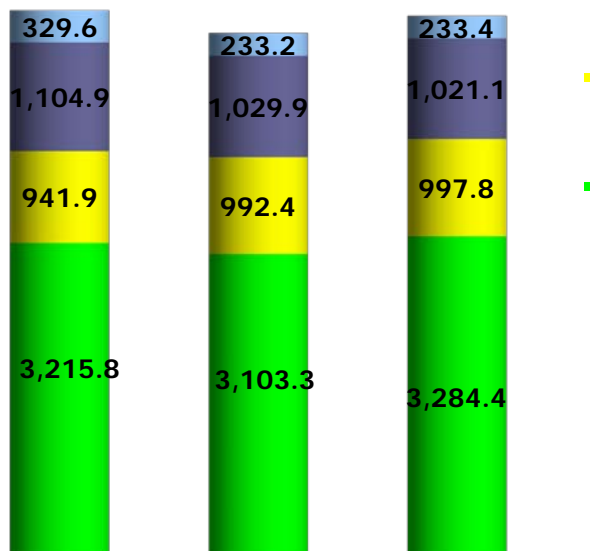


# Consolidated Balance Sheets

(¥ billions)

## Assets

5,592.2      5,358.8      5,536.7



09/12E

10/12E

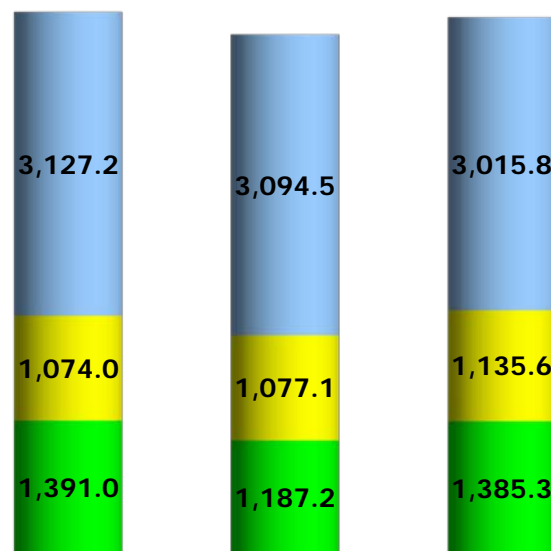
11/12E

## Liabilities and Equity

5,592.2      5,358.8      5,536.7

- Cash Equivalents
- Accounts Receivable
- Inventories
- Others

- Others
- Total Equity
- Interest-bearing Debt



09/12E

10/12E

11/12E

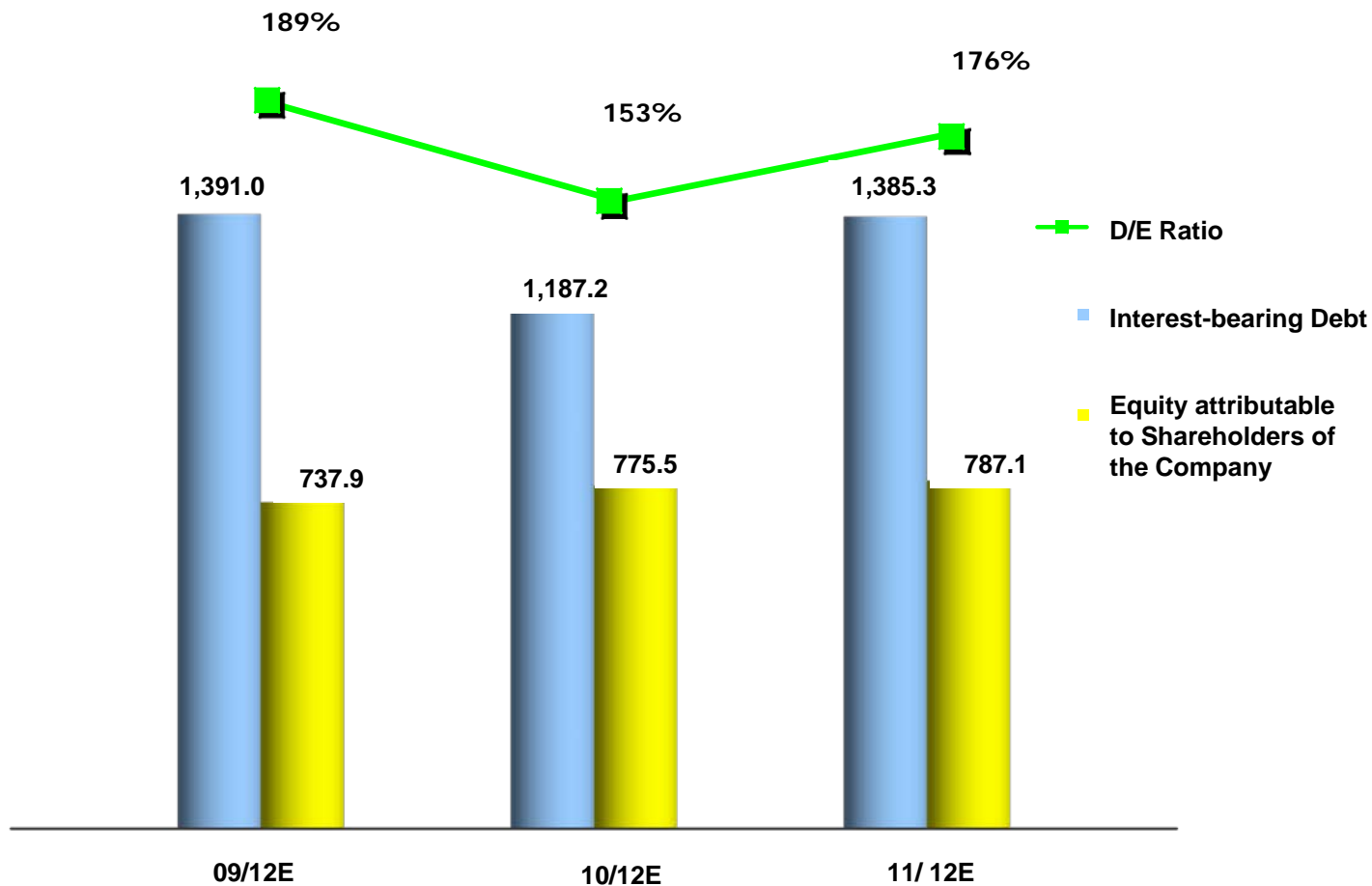
# Total Equity

(¥ billions)

	11/12E	11/3E	10/12E	Difference	
				vs. 11/3E	vs. 10/12E
Common Stock	439.9	439.9	439.9	0.0	0.0
Additional paid-in capital	398.8	399.6	400.9	-0.8	-2.1
Retained earnings	534.0	551.5	453.8	-17.5	80.2
Accumulated other comprehensive loss	-584.1	-521.4	-517.7	-62.7	-66.4
Treasury stock	-1.5	-1.5	-1.4	0.0	-0.1
Equity attributable to shareholders of the Company	787.1	868.1	775.5	-81.0	11.6
Equity attributable to noncontrolling interests	348.5	311.5	301.6	37.0	46.9
Total equity	1,135.6	1,179.6	1,077.1	-44.0	58.5
Equity attributable to shareholders of the Company / Total asset ratio	14.2%	16.1%	14.5%	-1.9%	-0.3%

# DE Ratio

(¥ billions)



# FY2011 3Q, Year-on-year

(¥ billions)

	FY11/3Q	FY10/3Q	Difference
			vs. FY10/3Q
Net sales	1,441.4	1,588.5	-147.1
Operating Income (loss)	10.6	37.5	-26.9
%	0.7%	2.4%	-1.7%
Income (loss) from continuing operations, before income taxes and noncontrolling interests	-9.7	19.3	-29.0
%	-0.7%	1.2%	-1.9%
Net Income (loss)	-10.6	12.4	-23.0
%	-0.7%	0.8%	-1.5%



# FY2011 3Q by Segment, Year-on-Year

(¥ billions)

Net Sales	FY11/3Q	FY10/3Q	Difference
			vs. FY10/3Q
Digital Products	430.8	577.7	-146.9
Electronic Devices	371.0	410.1	-39.1
Social Infrastructure	547.0	483.5	63.5
Home Appliances	134.3	151.6	-17.3
Others	76.0	81.0	-5.0
Total	1,441.4	1,588.5	-147.1

Operating Income (loss)	FY11/3Q	FY10/3Q	Difference
			vs. FY10/3Q
Digital Products	-15.2	12.0	-27.2
%	-3.5%	2.1%	-5.6%
Electronic Devices	11.5	7.8	3.7
%	3.1%	1.9%	1.2%
Social Infrastructure	13.3	12.3	1.0
%	2.4%	2.5%	-0.1%
Home Appliances	0.9	3.9	-3.0
%	0.7%	2.6%	-1.9%
Others	-0.1	1.3	-1.4
%	-0.3%	1.5%	-1.8%
Total	10.6	37.5	-26.9
%	0.7%	2.4%	-1.7%

# FY2011 Forecast, Overall

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

	FY 2011 Forecast (As of Jan.31)	FY 2011 Forecast (As of May 9)	Difference	FY2010	Difference vs. FY2010
Net Sales	6,200.0	7,000.0	-800.0	6,398.5	-198.5
Operating Income (loss)	200.0	300.0	-100.0	240.3	-40.3
%	3.2%	4.3%	-1.1%	3.8%	-0.6%
Income (loss) from continuing operations, before income taxes and noncontrolling interests	125.0	240.0	-115.0	195.5	-70.5
%	2.0%	3.4%	-1.4%	3.1%	-1.1%
Net Income (loss)	65.0	140.0	-75.0	137.8	-72.8
%	1.0%	2.0%	-1.0%	2.2%	-1.2%
Earnings (losses) per share attributable to shareholders of the Company	¥15.35	¥33.06	-¥17.71	¥32.55	-¥17.20

\*These figures include anticipated results from the tax system amendment bill enacted at the end of November 2011

# FY2011 Forecast by Segment

(¥ billions)

Net Sales	FY 2011 Forecast (As of Jan.31)	FY 2011 Forecast (As of May 9)	Difference	FY2010	Difference vs. 2010
Digital Products	1,690.0	2,100.0	-410.0	1,917.7	-227.7
Electronic Devices	1,620.0	1,900.0	-280.0	1,757.9	-137.9
Social Infrastructure	2,470.0	2,500.0	-30.0	2,277.7	192.3
Home Appliances	590.0	650.0	-60.0	599.8	-9.8
Others	330.0	360.0	-30.0	335.0	-5.0
Total	6,200.0	7,000.0	-800.0	6,398.5	-198.5

Operating Income (loss)	FY2011 Forecast (As of Jan.31)	FY 2011 Forecast (As of May 9)	Difference	FY2010	Difference vs. 2010
Digital Products	-25.0	20.0	-45.0	28.9	-53.9
%	-1.5%	1.0%	-2.5%	1.5%	-3.0%
Electronic Devices	90.0	140.0	-50.0	71.2	18.8
%	5.6%	7.4%	-1.8%	4.1%	1.5%
Social Infrastructure	140.0	150.0	-10.0	129.6	10.4
%	5.7%	6.0%	-0.3%	5.7%	0.0%
Home Appliances	10.0	10.0	0.0	8.8	1.2
%	1.7%	1.5%	0.2%	1.5%	0.2%
Others/ Elimination	-15.0	-20.0	5.0	1.8	-16.8
Total	200.0	300.0	-100.0	240.3	-40.3
%	3.2%	4.3%	-1.1%	3.8%	-0.6%

---

# TOSHIBA

Leading Innovation >>>