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**FOR IMMEDIATE RELEASE**

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**Toshiba Acquires Landis+Gyr**

*- To accelerate development of global Smart Community business -*

Tokyo, Japan – May 19, 2011 – Toshiba Corporation (TOKYO: 6502), a world leader in electronics and social infrastructure systems, today announced that it has entered into a definitive agreement to acquire the entire equity of Landis+Gyr AG, a company incorporated in Switzerland and a global leader in energy management solutions for utilities, from the company's shareholders and warrant owners. The acquisition, valued at US\$2.3 billion (approximately 186.3 billion yen) including net debt, will substantially enhance the scope of Toshiba's Smart Grid and Smart Community businesses and position the company as a global competitor with world-class capabilities.

The acquisition is subject to regulatory approvals and other customary closing conditions.

**Benefits of the Acquisition**

Projects to establish Smart Grids are being promoted by countries and regions around the world, toward achieving the modern and more environmentally friendly infrastructure essential for a low carbon society and sustained economic growth. Forecasts indicate that the next decade will see the Smart Grid market grow to 5.8 trillion yen<sup>\*1</sup>, six times today's level.

While the original Smart Grid business mainly covers power system network management, the latest trend is a shift to a higher level concept, 'Smart Community'. This supports diverse infrastructure systems, including energy, water, transportation and ICT, delivers comprehensive solutions to consumers, and secures the integrated modernization of the overall infrastructure supporting entire towns and cities.

Toshiba Group, an innovator in environmentally conscious businesses that support realization of a low carbon society, positions the Smart Community business as a new focus area and is determined to maximize its presence and capabilities in the business.

Established in 1896, and now with over 8,000 utility customers globally, Landis+Gyr has pioneered the development of leading-edge smart metering, networking and service products to meet the needs of the utilities industry. Its business operations now extend to 30 countries and regions across five continents.

Landis+Gyr provides a wide range of smart meter solutions, from advanced interactive communication technologies to various applications and services based on data collected from the meters.

The combination of Landis+Gyr's advanced smart metering technologies and services, plus its extensive customer base, with Toshiba's comprehensive expertise in energy management for utility companies and the corporate (buildings) and consumer (homes) sectors, will allow Toshiba to provide customers with sophisticated one-stop solutions that offer communities optimum power monitoring and management, plus effective applications and services based on cloud computing technologies.

By drawing on the diverse capabilities of each company and maximizing synergies, Toshiba will enter new business domains encompassed by the Smart Community concept, centering on integrated energy management systems.

Upon completion of the acquisition, Toshiba will promote operational and technological synergies and further growth in its Smart Grid and Smart Community businesses, toward achieving net sales of 700 billion yen in fiscal year 2015, against current annual sales of 300 billion yen.

#### **About Toshiba's Smart Community business**

Toshiba established a dedicated Smart Community Division to promote its Smart Community business in October 2010. The division reports directly to the president & CEO.

On April 1, 2011, Toshiba established a new in-house company, the Social Infrastructure Systems Company, which reinforces Toshiba's ability to offer integrated solutions across power transmission and distribution, a broad range of social infrastructure, including railway systems, automotive systems and rechargeable batteries, and to support the Smart Community business.

As a pioneer in the Smart Community business, Toshiba is already involved in a number of Smart Grid and Smart Community demonstration projects in Japan and overseas, including the U.S., France and India, that will ensure customers can access promising solutions and well-proven technology.

#### **Business operation after the stock acquisition**

Toshiba and Landis+Gyr will together develop total energy solutions that meet diverse hardware and software standards and deliver Smart Grid and Smart

Community products and services worldwide.

Landis+Gyr, as a standalone growth platform within Toshiba, will continue to hold its properties, equipment, employees and trade mark rights, and will expand and reinforce business by making use of complementary relations with Toshiba. The company will aim to expand orders received in Europe and the United States, and in China, India and Brazil, which are promoting rapid modernization of social infrastructure.

Landis+Gyr is expected to exploit synergies with Toshiba's energy management business to create new business opportunities. Beyond this, Toshiba and Landis+Gyr will cooperate closely in developing and executing business strategies and promoting operations.

As its works to maximize synergies with Landis+Gyr, Toshiba will continue to promote alliances with leading-edge companies around the world, centering on cloud computing and solutions services, aiming to expand its global operations and to grow the Smart Community business.

#### **Outlook for the current fiscal year**

The possible impact of this acquisition on Toshiba's FY2011 business performance has yet to be determined.

#### **Outlines of Landis + Gyr AG**

Established:	1896
Shareholders:	Private equity fund and individual shareholders
CEO:	Andreas Umbach
Sales:	About US\$1,533 million (as of December 2010)
Employees:	About 5,000
Head Office:	Zug, Switzerland

\*<sup>1</sup> Source: Market report of Fuji Keizai Co., Ltd.

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