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### **Toshiba to Implement Reforms in Visual Products Business**

TOKYO—Toshiba Corporation (TOKYO: 6502) today announced that it will implement structural reform of its visual products business, including LCD TVs, toward improving profitability and strengthening foundations of the business.

#### **1. Asset-light management strategy**

##### **(1) Resource allocation to focusing markets**

Toshiba will focus on emerging markets including Asia, the Middle East and Africa, where growth in demand is expected. In addition, Toshiba will end sales in unprofitable regions.

##### **(2) Promotion of asset -light in overseas production facilities**

Toshiba will integrate its overseas TV manufacturing facilities, from three to one, excluding joint venture facilities, within this fiscal year. This measure will allow the company to increase products from original design manufacturers (ODMs) in the global market from the current rate of about 40% to 70% by FY 2014. The company further plans to reduce fixed costs and improve productivity by reducing the number of ODMs and models and by integrating manufacturing facilities.

##### **(3) Resource allocation and reinforcement of product development for Japanese market**

Toshiba will allocate resources to large screen Ultra HD (4K) LCD TVs, where growing demand is expected, to differentiated functions for viewing and recording. The company will also concentrate resources on strengthening cloud services, which are expected to enhance linkage between digital products and between digital products and home appliances. The company will also reinforce development of visual products for business applications, including digital signage, another area where demand is growing.

Through these measures, including reallocating resources in Japan, integration of overseas manufacturing facilities and reform of overseas sales operations, Toshiba will adjust its visual products business global consolidated headcount in this fiscal year, by approximately 50% from FY2012, to 3,000 people.

## 2. Joint operation by integrating Visual and Home Appliances Business

Toshiba will separate the visual products business from its in-house Digital Products & Services Company and merge it with Toshiba Home Appliances Corporation, a consolidated subsidiary that oversees the home appliances business. Toshiba plans to establish Toshiba Consumer Electronics Corporation (provisional name) to operate both businesses. It will finalize details, including organization and operations, and plans to establish the new company in the fiscal half starting October 1<sup>st</sup>, through procedures in accordance with Japan's Companies Act.

Toshiba aims to improve efficiency in sales and after-service operations in the Japanese market, to strengthen and expand sales in overseas markets, primarily emerging economies, and to promote investments to develop new business fields including smart home appliances, by integrating operations and promoting use of shared resources.

Going forward, Toshiba aims to see profit in its visual products business in the second half of this fiscal year through continued review and reform of business processes and operations.

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